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Financial Statistics
# of the
Major Privately Owned Utilities
in
New York State

ELECTRIC • GAS • TELEPHONE • WATER

1989

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

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Financial Statistics of the Major Privately Owned Utilities in New York State

ELECTRIC • GAS • TELEPHONE • WATER

1989

New York State Public Service Commission

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PREFACE

This publication contains financial and operating statistics of 65 privately-owned electric, gas, telephone and water companies for the year ended December 31, 1989. The data are reported by type of utility service and the seven combination companies (those providing both electric and gas service) appear more than once. The gas section also includes the statistics for the six companies which distribute and transport gas only.

Consolidated Edison Company of New York, Inc. is the only remaining company still providing steam service in addition to electric and gas service. Statistical data for steam operations is contained in a separate narrative section of this report.

The companies included in this publication are designated as either Class A or Class B utilities. Electric and gas utilities with annual operating revenues of $2,500,000 or more for each type of service are designated Class A, and those with revenues between $1,000,000 and $2,500,000 are Class B. The classifications for telephone companies were revised in 1988, with the adoption of a new Telephone Uniform System of Accounts. The current revenue thresholds are now set at $100 million for a Class A designation and those below that are Class B utilities. Class A water companies have annual operating revenues of $1,000,000 or more; those having at least $700,000 but less than $1,000,000 are Class B.

Telecommunications companies were required to adopt a new Uniform System of Accounts as of January 1, 1988. The annual report form had to be redesigned to conform with the new Uniform System of Accounts and the revised form, based on that system, was issued in September of 1989. The changes in the Telephone Uniform System of Accounts were so dramatic that it was no longer practical to make valid comparisons using pre-1988 data. As a result, financial and operating statistics were only compiled from 1988-1989 data.

The narrative portion of this publication presents tables summarizing the detailed financial data that follows in the statement section. These tables are accompanied by a brief explanation of the changes which occurred over the past five years derived from Annual Reports to the Commission, Commission proceedings, and Shareholders' Reports. The narrative portion is followed by the composite industry statements and the major financial statements of the individual companies.

The various measures of utility returns that are shown may not be the same as those determined in formal cases. Variations may occur because this publication relies primarily on data reported by the companies in their Annual Reports to the Commission. The Commission, through its staff, may make adjustments to the booked amounts shown here.

Please note that some figures may not add up to totals due to rounding.

The Electric Industry

Highlights

Ranking

Of the seven combination companies in New York State, Consolidated Edison retained its long held status as the largest company in three major categories: revenues, net electric plant in service, and number of customers. The company received over 40% of total electric revenues in the state in 1989 and serves over 42% of the state's electric customers. Con Edison also owns more than 33% of the net electric plant in service.

Total statewide electric revenues rose to $11.6 billion in 1989, an increase of $1.1 billion (or 10.5%) over 1985 levels. The total number of customers served by all seven combination companies reached 6.9 million in 1989, an increase of 345,658 customers, up 5.3% from 1985.

The following table ranks the electric companies by revenue and includes net electric plant and customers served.

Electric Utilities in New York State - 1989

Company	Revenue (Millions)	Net Electric Plant in Service (Millions)	Customers (Thousands)
Consolidated Edison	$4,586	$6,777	2,909
Niagara Mohawk	2,402	5,370	1,481
Long Island Lighting	1,984	2,300	995
New York State E & G	1,267	3,257	753
Rochester G & E	578	1,231	324
Central Hudson	403	747	248
Orange & Rockland	356	505	180
Total	$11,576	$20,187	6,890

Residential Customers

Residential electric customers consumed, on average, 10% more electricity in 1989 than in 1985, and customers paid 0.07 cents more for a Kwh of electricity in 1989. Average bill data for 1985 shows that residential electric customers consumed 31.4 million Kwhs of electricity and paid 11.15 cents per Kwh; in 1989, residential customers consumed 36.3 million Kwhs at the average unit price of 11.22 cents. Even though, on the average, residential electric customers enjoyed stable unit prices during this five-year period, residential customers of individual electric utilities experienced somewhat different price changes. For example, residential customers of Consolidated Edison, Orange & Rockland and Central Hudson all experienced declines in the unit costs of electricity; while New York State Electric & Gas, Rochester Gas and Electric, and Niagara Mohawk residential customers experienced increases; and Long Island Lighting residential customers' costs remained virtually unchanged.

The costs of fuel and purchased power were major contributors to the decline in unit price, with a reduction in average cost from 3.08 cents per kwh in 1985 to 2.65 cents per kwh in 1989. The lower purchased power cost is due to the decrease in the price of oil and a more varied fuel mix than in prior years. In addition, several generating stations now have the ability to burn more than one type of fuel, *i.e.*, Central Hudson's Danskammer plant and Niagara Mohawk's Albany plant. This ability to alternate fuels allows the utility to burn the least expensive fuel available.

The table which follows compares the average residential electric bills for the seven combination companies.

Residential Average Monthly Bill
1989 and 1985

1989 Electric Monthly Bill	Central Hudson	Con Edison	Long Island Lighting	N Y.State Electric & Gas	Niagara Mohawk	Orange & Rockland	Rochester Gas & Electric
Average Bill - Dollars	$57.33	$44.65	$85.70	$63.35	$52.50	$62.78	$56.87
Average Consumption - KWH	584	323	661	649	608	528	592
Average Revenue/KWH (Cents)	9.81	13.83	12.96	9.76	8.64	11.90	9.61

1985 Electric Monthly Bill	Central Hudson	Con Edison	Long Island Lighting	N.Y. State Electric &Gas	Niagara Mohawk	Orange & Rockland	Rochester Gas & Electric
Average Bill - Dollars	$60.91	$43.58	$75.71	$53.53	$42.54	$61.37	$46.99
Average Consumption - KWH	521	276	585	616	585	474	559
Average Revenue/KWH (Cents)	11.69	15.82	12.95	8.70	7.28	12.95	8.40

Percent Increase/(Decrease)							
Average Revenue/KWH	(16.0)%	(12.6)%	0.1%	12.3%	18.7%	(8.1)%	14.4%
Average Consumption - KWH	12.1%	17.2%	13.0%	5.4%	4.0%	11.4%	5.8%

Electric Revenue and Sales

All Customers

In 1989, electric revenues from ultimate customers totaled $10.6 billion, a $1.1 billion (11.5%) increase over 1985. The increase in revenue is primarily attributable to a 16% increase in sales to ultimate customers even though the cost of a Kwh of electricity declined by 0.4 cents to 9.5 cents in 1989.

Residential Customers

Revenue from sales to residential customers increased by $570 million (16.3%), while Kwh sales to these customers increased by 4.9 billion Kwh (15.5%). A comparison of sales and revenue figures for the 1989 - 1985 period shows no change in unit cost per Kwh sold.

Commercial and Industrial

Revenues and sales to commercial and industrial customers increased by $492.2 million (8.7%) and 10.0 billion Kwh (16.3%) respectively. A comparison of sales and revenue figures for the 1989-1985 period shows a reduction in price of 0.6 cents per Kwh sold.

The table which follows compares revenue, Kwh sales and revenue per Kwh for 1989 and 1985.

Electric Revenues and Sales

	1989			1985		
Class	Electric Revenues (Millions)	Kwh Sales (Millions)	Revenue Per KWH (Cents)	Electric Revenues (Millions)	KWH Sales (Millions)	Revenue Per KWH (Cents)
Residential	$4,074.4	36,304.0	11.2	$3,504.1	31,424.5	11.2
Commercial & Industrial	6,167.7	71,585.1	8.6	5,675.5	61,562.4	9.2
Public Street & Highway Lighting	90.2	587.8	15.3	88.0	606.3	14.5
Other Sales of Electricity Except Resale Sales	237.5	2,964.4	8.0	215.6	2,679.0	8.0
Total Sales to Ultimate Customers	$10,569.8	111,441.2	9.5	$9,483.2	96,272.2	9.9
Sales for Resale	527.9	12,462.1	4.2	663.9	17,120.1	3.9
Total Revenues from Electric Sales	$11,097.7	123,903.3	9.0	$10,147.1	113,392.3	8.9
Other Electric Operating Revenues	478.6	8,863.7*	–	329.4	7,505.5*	–
Total	$11,576.3	132,767.0.	8.7	$10,476.5	120,897.8	8.7

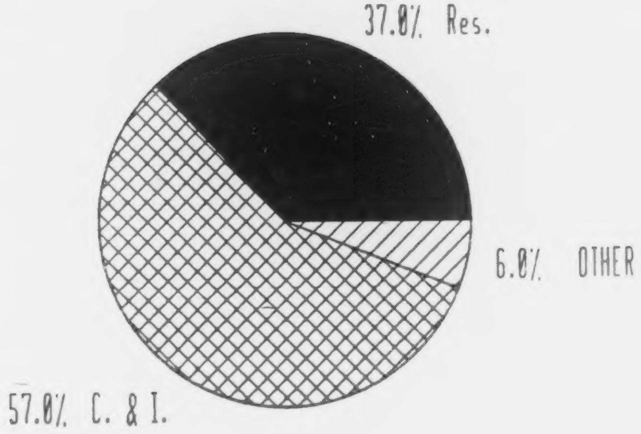
*Includes MDA and NYPA sales.

Electric Revenues – Sources and Expenditures

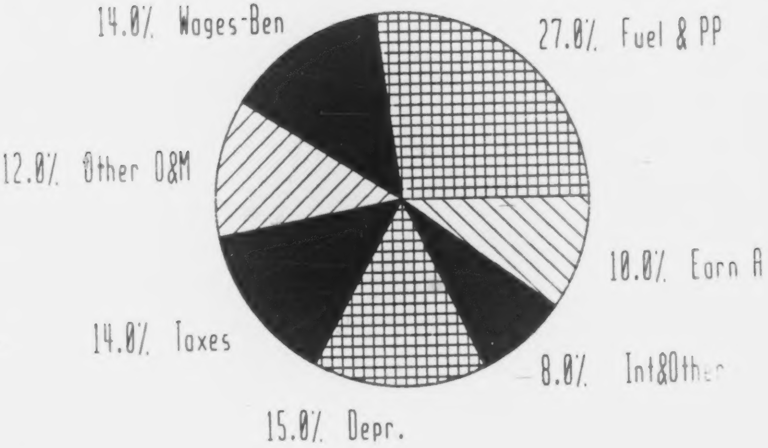
The charts which follow depict the major sources of electric revenue collected and expenditures made by the combination companies in 1989. The electric revenue source graph is divided into three major market segments: residential, commercial and industrial, and other revenues. Not surprisingly, more than half of the electric utilities' revenue comes from commercial and industrial customers.

The major uses of electric revenues, as displayed in the pie chart following, are: fuel and purchased power, salaries, wages and benefits, other operation and maintenance expenses, taxes, depreciation expense, interest and preferred dividends, and common stock earnings. Fuel and purchased power, considered as one component, accounted for 27% of total expenditures, while the next three largest components, salaries and benefits, taxes, and depreciation each comprise approximately 14% to 15% of total expenditures in 1989.

ELECTRIC DOLLAR – 1989
SOURCES



ELECTRIC DOLLAR – 1989
EXPENDITURES



Energy Source

In 1989, the electric departments of the combination companies furnished 134.28 billion Kwh of electricity, about of 76% of it originating from the companies' own generation, and the remainder coming from purchases. The ratio of generation to purchases increased by 10% over the 1985 level.

In 1989, fossil fuel-steam generation provided about 83% of the sources of generation (a 6% increase over 1985); nuclear generation supplied 12% (a 6% decrease from 1985); hydro generation, 4%; and other sources, 1%. The decrease in nuclear generation is a result of the extended outage at Niagara Mohawk's Nine Mile Point I station, which has been off-line since December 1987, and the outage at Nine Mile Point II, which was down for most of the first quarter of 1989.

The table which follows compares energy sources for the five-year period from 1985 through 1989.

Energy Sources
(Billion KWH)

	1989	%	1985	%
Generation:				
Steam	84.71	83.1%	63.56	77.1%
Nuclear	11.80	11.6	15.21	18.5
Conventional Hydro	3.73	3.7	3.43	4.2
Other	1.72	1.6	0.21	0.2
Total Generated	101.96	100.0	82.41	100.0
Purchases	32.32		41.56	
Total Available	134.28		123.97	

Net Electric Plant

The state's electric industry experienced a $3.9 billion reduction in investment of net electric plant, which includes Construction Work in Progress for the period 1985 to 1989. Long Island Lighting Company (LILCO) encountered the largest reduction of net electric plant, approximately $4.7 billion, principally attributable to the write-off of all or portions of the Shoreham Nuclear Generating Station.

On June 28, 1989, the Rate Modification Agreement (RMA) proposed by the Commission became effective. The RMA, in part, authorized LILCO to simultaneously record on its balance sheet the retirement of the Shoreham plant and its investment in Bokum Resources Corp. and establish the Base Financial Component of the Financial Resources Asset (FRA). The FRA is a non-plant asset and has a value of $4 billion. In addition, LILCO wrote off $7 million of Nine Mile II investment, and $104 million of its Jamesport Generating Station investment, both items net of tax.

In September 1986, the PSC approved a settlement agreement in a proceeding investigating the prudence of construction expenditures at Nine Mile II. The settlement, among other things, limited the total recoverable expenditures to $4.16 billion. As a result, a total of approximately $2.3 billion was disallowed as imprudent and ordered to be absorbed by the co-tenants and their shareholders. Nine Mile II is jointly owned by Central Hudson, LILCO, Niagara Mohawk, NYSEG and Rochester G&E. During 1987, four of the five Nine Mile II co-tenants wrote off disallowed portions of the Nine Mile II generating station, which placed them in a net loss position for the calendar year 1987. LILCO reported a net loss of over $1 billion in 1988, due to write-offs of disallowed costs at Shoreham, Nine Mile II and Jamesport.

On June 30, 1989, LILCO reduced its Construction Work in Progress account by approximately $4.0 billion to reflect the write-off of the company's investment in Shoreham. This write-off and the Nine Mile II write-offs are the primary reasons why LILCO's electric plant investment decreased by 66.9% in the 1985-1989 period.

In an effort to hold down new plant construction and conserve capital, the electric companies are initiating programs to improve both supply side and demand side management. Through supply side management, the electric companies can avoid increasing their generating capacity by purchasing power from small independent power producers (IPP's). Demand side management provides education and innovative ideas and programs to consumers in an attempt to help them curb their energy consumption. By controlling future demand, the Commission hopes the companies can reduce generating station construction needed to meet increasing load.

The table which follows shows net plant investment by company and the construction work in progress included in net plant investment.

Net Electric Plant
Construction Work in Progress
(Millions)

	Net Electric Plant	
Company	1989	1985
Consolidated Edison	$ 6,777	$ 5,901
Long Island Lighting	2,300	6,959
Central Hudson	747	741
Orange & Rockland	505	353
Niagara Mohawk	5,370	5,504
New York State E & G	3,257	3,305
Rochester G & E	1,231	1,364
Total	$20,187	$24,128

	Construction Work in Progress*	
Company	1989	1985
Consolidated Edison	$194	$183
Long Island Lighting	91	5,584
Central Hudson	19	438
Orange & Rockland	24	32
Niagara Mohawk	336	2,321
New York State Electric & Gas	67	994
Rochester Gas & Electric	56	703
Total	$788	$10,255

* Construction Work in Progress is included in Net Electric Plant and is shown for comparison only.

Capitalization

Total capitalization of the combination companies increased during this five year period to $27.4 billion in 1989, an increase of $0.8 billion from 1985.

Long-term debt increased as a percent of total capitalization during the period, from 44.9% in 1985 to 52.5% in 1989, while preferred stock decreased to 8.6% in 1989.

Common equity comprised a smaller percentage of the capital structure in 1989 than in 1985 as the amount of equity decreased from $12.1 billion to $10.7 billion. This decrease is primarily due to the write-downs taken on Nine Mile Point II by the five co-tenants, and additional write-offs on the Shoreham and Jamesport projects by Long Island Lighting Company. Preferred stock decreased both in dollars and in percent of total capitalization, dropping to $2.3 billion in 1989.

The table which follows displays the capital structure of the electric utilities in 1985 and 1989 by dollar amounts and as a percent of the total.

Capitalization (Millions)

	1989		1985	
	Amount	%	Amount	%
Long-Term Debt	$14,393	52.5%	$11,953	44.9%
Preferred Stock	2,343	8.6	2,602	9.8
Common Equity	10,655	38.9	12,055	45.3
Total	$27,391	100.0%	$26,609	100.0%

Earnings Available, Dividends and Payout Ratios

Earnings Available

In 1989, Long Island Lighting Company reported a net operating loss of $95.8 million, primarily due to write-offs of all or portions of the Shoreham, Nine Mile II, and Jamesport plants, and its investment in the Bokum Resources Corporation. The other four cotenants of Nine Mile II all had lower earnings available per share for common dividends in 1989 than in 1985, due largely to the disallowances of their investment in Nine Mile II. Only Con Edison and Orange and Rockland reported higher earnings per share in 1989 than in 1985; neither company is presently involved in a nuclear generating project.

Common Dividends

After five years without a common stock dividend, Long Island Lighting declared a dividend of $0.50 per share in 1989. Only Con Edison and Orange and Rockland paid a higher per share common dividend in 1989 than in 1985. In 1989, Con Edison declared a 2 for 1 stock split, so 1985 per share amounts have been restated to reflect this stock split.

Niagara Mohawk signed an agreement, approved by the PSC in October of 1989, which stated (in part) that the company would pay no common stock dividends at least until the Nine Mile I nuclear plant returns to service. No common stock dividends were declared by the company in the fourth quarter of 1989.

Payout Ratio

In 1989, six of the combination companies had higher payout ratios than in 1985. Long Island Lighting had a payout ratio of over 100% in 1989, since it incurred a net loss yet resumed dividend payments. Only Orange and Rockland had a lower payout ratio in 1989 than in 1985.

The higher payout ratios shown in the table below are due, in part, to the Nine Mile II co-tenants' (Niagara Mohawk, Central Hudson, LILCO, NYSEG and RG&E) decreased earnings per share, combined with the companies' attempts to maintain existing dividend payments. The following table shows earnings available for common, dividends and payout ratios.

Earnings Available for Common, Dividends and Payout Ratio (Per Share)

Company	Earnings Available for Common		Common Dividends		Payout Ratios	
	1989	1985	1989	1985	1989	1985
Central Hudson	$2.28	$4.63	$1.76	$2.94	77.2	63.5
Con Edison*	2.49	2.13	1.72	1.20	69.1	56.3
LILCO	**	3.98	0.50			
NYSEG	2.43	3.46	2.02	2.50	83.1	72.3
Niagara Mohawk	0.78	2.89	0.60	2.07	76.9	71.6
Orange & Rockland	3.14	2.81	2.28	2.09	72.6	74.4
Rochester Gas & Electric	2.10	3.65	1.50	2.28	71.4	62.5

* 1985 per share amounts restated to reflect 2 for 1 stock split in 6/89.

** LILCO had a net loss for 1989.

The Steam Industry

Highlights

Consolidated Edison Company of New York, Inc. is the sole large supplier of steam service in New York State. Steam revenues are closely tied to the cost of fuel. Because fuel prices declined during the period, Con Edison experienced a decline in total operating revenues, from $318 million in 1985 to $282 million in 1989 (a decrease of almost 12%). Conversely, the sales of steam (stated in thousand pounds or Mlbs) rose from 26 million Mlbs in 1985 to 31 million Mlbs in 1989 (an increase of 19%). In an attempt to control the growing demand for electricity, particularly during peak times in the summer months, Con Edison is promoting the use of steam operated cooling systems as an alternative to electrically operated systems.

The company's average net plant increased from $222 million in 1985 to $263 million in 1989, up 18.3%. Con Ed's return on net plant decreased from 7.5% to 6.6% in this period.

The following table shows Net Operating Revenue, Net Plant and Return on Net Plant for 1989 and 1985.

Steam Revenues and Sales
1989 and 1985

Years	Revenues	Sales M lbs	Average Cost Per M lbs
1989	$282,485,876	31,081,097	$9.09
1985	318,210,817	26,435,523	12.04

Steam Return on Net Plant
1989 and 1985

Years	Net Operating Revenues	Average Net Plant & Working Capital Net Plant	Return on Net Plant
1989	$17,398,497	$263,178,424	6.6%
1985	16,666,208	222,390,406	7.5

The Gas Industry

Highlights

Ranking

There are 13 Class A or B gas companies in New York State. Of these, six are exclusively gas distribution companies, and seven constitute the gas departments of the combination companies. The two largest distributors of gas, based on revenues, are both straight gas companies. These two companies, Brooklyn Union Gas Company and National Fuel Gas, account for 93.4% of the revenues and 95.7% of net plant and serve 94.9% of the customers of the straight gas companies. Of the combination companies, the gas departments of Con Edison and Niagara Mohawk, combined, represent 54.3% of the revenue and 61.2% of net plant and serve 60.3% of the customers of all combination companies.

The following table summarizes revenues, net gas plant and customers for 1989 for each company.

Gas Utilities in New York State – 1989

Company	Revenue (Thousands)	Net Gas Plant in Service (Thousands)	Customers
Straight Gas Companies			
Brooklyn Union	$961,136	$866,220	1,096,644
National Fuel Gas Distribution	732,752	588,355	704,720
Columbia Gas of New York	64,588	41,448	67,494
St. Lawrence Gas	27,539	8,077	11,646
Corning Gas	17,442	9,126	12,653
Syracuse Suburban Gas	10,714	6,712	4,411
Total Straight Gas	$1,814,172	$1,519,937	1,897,568
Combination Companies			
Consolidated Edison	$694,461	$789,917	1,026,152
Niagara Mohawk	487,381	497,641	460,702
Long Island Lighting	374,457	371,942	424,006
Rochester G & E	264,011	192,561	255,849
New York State E & G	161,077	105,759	140,738
Orange and Rockland	127,661	88,639	102,412
Central Hudson	66,767	56,458	54,943
Total Combination Co.	$2,175,815	$2,102,916	2,464,802
Total Gas	$3,989,987	$3,622,853	4,362,370

Revenue and Sales

For the period 1985 to 1989, revenues and gas sales by the local distribution companies (LDC's) decreased 12.1% and 11.3%, respectively. The commercial and industrial sector experienced a sharp decrease in the volume of gas sold, with 87.3 million Mcf or 31.3% lower sales in 1989. This decline is attributable to fuel switching, as oil prices were stable and even declined, weather conditions, and a change in sales policy approved by the FERC.

The FERC Order 500 (1987) restructured the gas industry and relieved the transportation bottleneck by allowing pipelines to reduce their take-or-pay (TOP) obligations if they also agreed to transport gas for others. The FERC policy change promoted a more competitive environment because it allows customers to buy gas directly from a supplier and requires the pipeline companies and LDC's to transport the gas to the end user.

In 1985, transported gas totaled 11.3 million Mcf and constituted 1.6% of total sales volume; in 1989, transported gas reached 120.6 million Mcf and almost 20% of total volume sold. The table and charts which follow compare gas revenues and sales of 1989 with 1985:

Gas Revenues and Sales

	1989			1985		
Class	Gas Revenues (Millions)	Mcf Sales (Millions)	Revenue Per Mcf (Dollars)	Gas Revenues (Millions)	Mcf Sales (Millions)	Revenue Per Mcf (Dollars)
Residential	$2,706.3	384.3	$7.04	$2,635.4	344.8	$7.64
Commercial & Industrial	1,071.8	191.2	5.61	1,589.6	278.5	5.71
Other	211.9	25.5	8.30	312.4	54.4	5.74
Total	$3,990.0	601.0	6.64	$4,537.4	677.7	6.70

Gas Transmission Revenues
Transportation of Gas Owned by Others

Company	1989		1985	
	Revenue	M.c.f.	Revenue	M.c.f.
Straight Gas Companies				
Brooklyn Union	$ 1,102,019	4,051,954	$ 235,336	212,408
National Fuel Gas (NY)	18,171,033	33,333,973	6,395,210	8,045,791
Columbia Gas (NY)	2,046,318	3,585,306	317,684	782,565
St. Lawrence Gas				
Corning Gas	1,400,452	4,210,193		
Syracuse Suburban Gas	1,818,927	2,685,120	122,534	313,077
Total Straight Gas	$24,538,749	47,866,546	$7,070,764	9,353,841
Combination Companies				
Consolidated Edison	$ 3,001,516	16,624,594		
Niagara Mohawk	19,830,907	33,768,653		
Long Island Lighting				
Rochester G & E	11,016,018	10,283,479	74,615	61,802
New York State E & G	6,721,424	8,004,484	921,290	1,875,946
Orange & Rockland	2,308,851	4,035,972		
Central Hudson	35,807	48,947		
Total Combination Co.	$42,914,523	72,766,129	$ 995,905	1,937,748
Total Gas	$67,453,272	120,632,675	$8,066,669	11,291,589

Monthly Bills

The average 1989 monthly bill for all residential gas customers declined by 1% from 1985, while consumption of gas increased by about 4%. In contrast to that five-year comparison is the annual change over 1988 operations.The average 1989 monthly bill increased 10.8% and consumption was increased by 0.8% over the 1988 levels. On an individual company basis, customers of St. Lawrence Gas, Columbia Gas, and Brooklyn Union Gas experienced the largest reductions in gas price, with declines of 23.0%, 15.2%, and 12.2% respectively.

On a unit cost basis (*i.e.*, Ccf), St. Lawrence Gas had the lowest cost in 1989 at 41.8 cents/Ccf, followed by Columbia Gas at 53.3 cents/Ccf, and Corning Gas at 56.2 cents per /Ccf. Brooklyn Union Gas experienced the highest unit cost for gas with a price of 86.1 cents/Ccf, while Con Edison was second at 85.3 cents/Ccf. However, both Brooklyn Union Gas and Con Edison customers paid less per Ccf in 1989 than they did in 1985.

The following tables compare the average residential monthly gas bill for the seven combination companies and the six straight gas companies for the period 1985-1989.

Straight Gas Companies
Residential Average Monthly Bill
1989 and 1985

1989 Monthly Bill	Brooklyn Union	Columbia Gas - N.Y.	Corning Natural	National Fuel Gas Dist. Co.	St. Lawrence Gas Co.	Syracuse Suburban
Average Bill	$60.98	$55.50	$65.51	$64.89	$54.30	$60.98
Average Consumption - Ccf or Equivalent Therm	71	104	117	113	130	101
Average Revenue per Ccf or Equivalent Therm	$0.861	$0.533	$0.562	$0.577	$0.418	$0.605
1985 Monthly Bill						
Average Bill	$62.13	$62.28	$57.98	$67.41	$65.09	$60.33
Average Consumption - Ccf or Equivalent Therm	63	99	113	107	120	106
Average Revenue per Ccf or Equivalent Therm	$0.981	$0.628	$0.512	$0.632	$0.542	$0.570
Percent Increase/(Decrease)						
Average Revenue Per Ccf or Equivalent Therm	(12.2)%	(15.2)%	9.8%	(8.7)%	(23.0)%	6.1%
Average Consumption - CcF or Equivalent Therm	11.8	5.0	2.9	5.5	8.3	(4.7)

Combination Companies
Residential Average Monthly Bill
1989 and 1985

1989 Monthly Bill	Central Hudson	Consolidated Edison	Long Island Lighting	NYS Electric & Gas	Niagara Mohawk	Orange & Rockland	Rochester Gas & Electric
Average Bill	$53.58	$36.23	$52.22	$64.49	$62.34	$74.28	$65.53
Average Consumption - Ccf or Equivalent Therm	74	43	75	103	101	123	98
Average Revenue per Ccf or Equivalent Therm	$0.722	$0.853	$0.696	$0.629	$0.618	$0.602	$0.666
1985 Monthly Bill							
Average Bill - Dollars	$55.09	$35.12	$50.74	$65.83	$60.85	$74.23	$60.99
Average Consumption - Ccf or Equivalent Therm	68	38	65	99	95	117	95
Average Revenue per Ccf or Equivalent Therm	$0.816	$0.916	$0.781	$0.664	$0.640	$0.636	$0.642
Percent Increase/(Decrease)							
Average Revenue per Ccf or Equivalent Therm	(11.5)%	(6.9)%	(10.8)%	(5.2)%	(3.5)%	(5.3)%	3.8%
Average Consumption - Ccf or Equivalent Therm	9.9	10.9	15.4	3.4	6.1	5.7	3.5

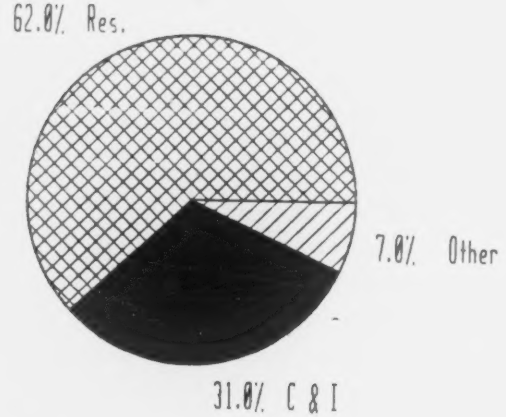
The Revenue Dollar

The charts which follow show the major sources of revenue and distribution of expense for the gas utilities. The first two pie charts show the gas revenue and expense dollar for the combination companies; the next two charts display the same data for the straight gas companies.

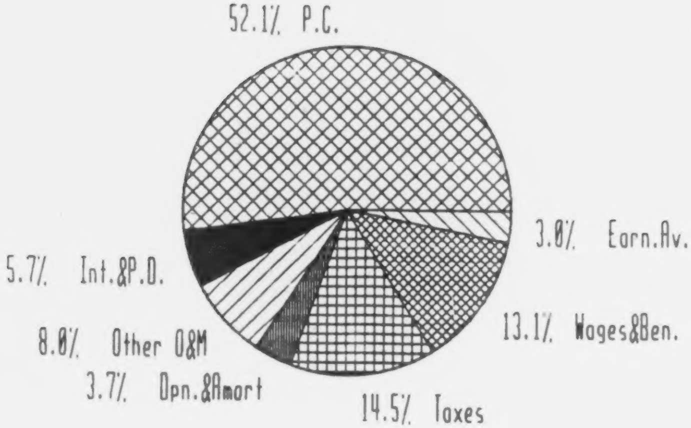
Residential customers contributed the largest share of the revenue dollar for both combination and straight gas companies - 62 cents for combination companies and 74 cents for straight gas companies. Commercial and industrial customers provided 31 cents and 22 cents of the gas dollar for combination and straight gas companies, respectively.

Purchased gas and other supply expenses comprise the largest share of expense, with 52 cents of every dollar spent by combination companies and 51 cents of every dollar by straight gas companies. These supply expenses have decreased by about 26%, for both combination and straight gas companies, during the period from 1985 to 1989.

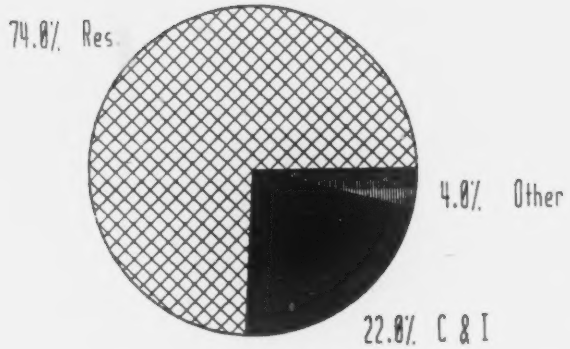
Revenue Sources
Combination Companies – 1989



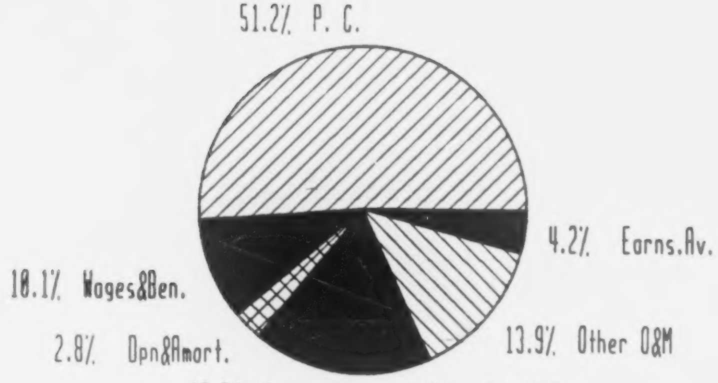
Revenue Expenditures
Combination Companies – 1989



Revenue Sources
Gas Only Companies – 1989



Revenue Expenditures
Gas Only Companies – 1989



Gas Supply

In 1989, the 13 gas utilities within New York State purchased 745.6 million Mcf of natural gas; this volume is 63.1 million Mcf (7.8%) lower than 1985 levels. Almost all (94%) of this decline (59.4 million Mcf) was due to the shift from utility purchases for sales to customers to direct purchases by the end user.

Combination Companies
Gas Supply
Mcf

			Increase/(Decrease)	
Sources:	1989	1985	Amount	Percent
Natural Gas Purchased	461,166,876	500,743,520	(39,576,644)	(7.9)%
Other Prod. & Purch.	110,710	77,413	33,297	43.0
Storage, Begin. Balance				
Natural Gas	803,281	290,452	512,829	176.6
Liquified Natural Gas				
Withdrawn from Storage				
Natural Gas	20,108,331	15,543,137	4,565,194	29.4
Liquified Natural Gas				
Other Rcpts. and Disburs.				
Total Available	482,189,198	516,654,522	(34,465,324)	(6.7)
Uses:				
Sold to Consumers	326,019,753	363,916,127	(37,896,374)	(10.4)
Delivered to Storage				
Natural Gas	26,528,841	10,843,307	15,685,534	144.7
Liquified Natural Gas				
Used By the Gas Dept.	372,499	71,820	300,679	418.7
Used By Other Depts.				
Electric	106,097,231	119,623,893	(13,526,662)	(11.3)
Other				
Other Disp. or Cr. Adj.	7,795,521	3,766,845	4,028,676	107.0
Lost and Unaccounted for	14,586,516	18,189,956	(3,603,440)	(19.8)
In Storage - End of Year	788,835	242,574	546,261	225.2
Total Used	482,189,196	516,654,522	(34,465,326)	(6.7)

Straight Gas Companies
Gas Supply
Mcf

			Increase/(Decrease)	
Sources	**1989**	**1985**	**Amount**	**Percent**
Natural Gas Purchased	284,438,623	307,927,884	(23,489,261)	(7.6)%
Other Prod. and Purch.	3,001,666	1,195,391	1,806,275	151.1
Storage, Begin. Balance				
Natural Gas	1,765,160	38,800	1,726,360	4,449.4
Liquified Natural Gas				
Withdrawn from Storage				
Natural Gas	2,101,070	654,447	1,446,623	221.0
Liquified Natural Gas	76,255	895,770	(819,515)	(91.5)
Other Recpts. and Disburs.	38,826,934	1,766,339	37,060,595	2,098.2
Total Available	330,209,708	312,478,631	17,731,077	5.7
Uses				
Sold to Consumers	274,682,918	294,489,382	(19,806,464)	(6.7)
Delivered to Storage				
Natural Gas	4,127,393	1,532,691	2,594,702	169.3
Liquified Natural Gas				
Used By the Gas Dept.	488,359	735,835	(247,476)	(33.6)
Used By Other Depts.				
Electric				
Other				
Other Disp. or (Cr. Adj.)	34,434,013	3,770,315	30,663,698	813.3
Lost and Unaccounted for	12,850,607	11,130,443	1,720,164	15.5
In Storage-End of Year	3,626,419	819,965	2,806,454	342.3
Total Used	330,209,709	312,478,631	17,731,078	5.7

Gross Plant Investment

Gross plant investment for the gas industry was almost $5 billion in 1989, a 30.1% increase over 1985. On an annual basis, this represents an average increase per year of 6% over 1985. In 1989 the increase over the year 1988 was close to the average – 6.4% ($300.7 million).

Gross Plant Investment

	1989		1985		Increase/(Decrease)	
	Millions	%	Millions	%	Millions	%
Combination Companies	$2,985.2	59.8%	$2,293.3	59.7%	$691.8	30.2%
Straight Gas Companies	2,009.1	40.2	1,545.6	40.3	463.5	30.0
Total	$4,994.3	100.0%	$3,838.9	100.0%	$1,155.4	30.1%

Capitalization

Straight Gas Companies

The capital investment of gas companies in 1989 was $1.6 billion, an increase of $480 million (41.4%) from 1985. During the 1985 to 1989 period, the long-term debt ratio increased by 7.4%, while the common equity ratio decreased by 3.8%.

The components for the years 1985 and 1989 for fixed capital are shown in the following table:

Capitalization
(Millions)

	1989		1985	
	Amount	%	Amount	%
Long-Term Debt	$14,393	52.5%	$11,953	44.9%
Preferred Stock	2,343	8.6	2,602	9.8
Common Equity	10,655	38.9	12,055	45.3
Total	$27,391	100.0%	$26,609	100.0%

Earnings Available, Dividends, and Payout Ratios

Straight Gas Companies

Earnings

In 1989, four straight gas companies experienced an increase in earnings available to common shareholders over 1985, while the remaining two experienced declines. Of the companies with increased earnings, Columbia Gas of New York recorded an increase of $4.16 per share, a jump of 115%; conversely, National Fuel Gas dropped by $1.77 per share (46%).

Common Dividends

Three of the six straight gas companies increased per share common dividends over 1985 levels. Columbia Gas of New York experienced a 115% increase in earnings available over the five-year period, but reduced common dividends by 71% over the same period.

Payout Ratios

The 1989 payout ratios of four of the six straight gas companies increased over the 1985 levels. The table which follows compares the earnings, common dividend and payout ratios of 1985 and 1989 on a per share basis:

Earnings Available for Common, Dividends and Payout Ratio

	Earnings Available for Common		Common Dividends per Share		Payout Ratios Percent	
Company	1989	1985	1989	1985	1989	1985
Brooklyn Union [1]	2.60	2.26	1.89	1.46	72.6	64.3
Columbia Gas of NY	7.78	3.62	1.28	4.41	16.5	121.8
Corning Gas [2]	1.37	1.15	1.12	0.83	81.9	72.3
National Fuel Gas Co. [3]	2.07	3.84	1.34	2.08	64.7	54.2
St. Lawrence Gas [4]	1.96	2.20	1.00	1.25	51.0	56.9
Syracuse Suburban [2]	7.96	7.55	5.00	4.00	62.8	53.0

1 1985 amounts were adjusted for stock split (two for one) on March 6, 1986.

2 Not publicly traded.

3 Figures represent National Fuel Gas Company and subsidiaries. The 1985 amounts were adjusted for a three for two split in 1987.

4 Subsidiary of the Consumers' Gas Company, Ltd.

The Telephone Industry

Highlights

Ranking

The telephone industry in New York State has many segments: local exchange companies (LECs), interexchange carriers (IXCs) and cellular carriers. Of the LECs, New York Telephone and Rochester Telephone together dominate the industry, with 95.3% of the revenues and 94.6% of the access lines.

AT&T Communications of New York (ATTCOM) is the predominant carrier in the interexchange portion of the industry, with $1.9 billion in revenues. ATTCOM provides interstate and interlata toll service for connecting companies and therefore it has no access lines. ATTCOM's competitors, the other common carriers (OCCs), are required to file financial and statistical data with the Commission. This information, however, is not reflected in this report. The Commission adopted an annual report for IXCs in 1988, and at this time is considering an annual report for cellular companies. Except for AT&T, this publication does not contain any statistical data for IXCs or cellular companies.

The following table ranks the telephone companies by revenue, net plant and access lines for 1989.

New York State Telephone Companies
Ranked by Total Operating Revenues
1989

TELEPHONE COMPANIES	Total Operating Revenues	Percentage of Total	Net Telecommunication Plant	Percentage of Total	Access Lines in Service	Percentage of Total
NEW YORK TELEPHONE CO.	$7,356,784,978	74.47%	$12,014,360,040	86.26%	9,404,381	90.27%
ATT COM - N.Y.	1,906,858,165	19.30	691,837,992	4.97	--	--
ROCHESTER TELEPHONE	246,605,800	2.50	527,735,130	3.79	449,906	4.32
CONTINENTAL TEL NY	175,721,904	1.78	329,267,277	2.36	242,451	2.33
ALLTEL NEW YORK, INC.	44,798,511	0.45	92,970,420	0.67	83,258	0.80
HIGHLAND TELEPHONE	32,933,315	0.33	61,628,705	0.44	47,942	0.46
TACONIC TELEPHONE	12,490,316	0.13	23,122,104	0.17	20,790	0.20
WARWICK VALLEY TEL	9,693,591	0.10	14,094,790	0.10	17,719	0.17
SYLVAN LAKE TEL	8,166,245	0.08	16,214,078	0.12	13,277	0.13
OGDEN TELEPHONE CO.	7,555,310	0.08	18,025,617	0.13	17,642	0.17
CHAUTAUQUA & ERIE	5,750,618	0.06	11,853,795	0.09	9,145	0.09
DUNKIRK & FREDONIA	4,479,693	0.05	8,128,816	0.06	8,542	0.08
DEPOSIT TELEPHONE	4,417,501	0.04	8,492,847	0.06	7,264	0.07
SENECA-GORHAM TEL	4,416,852	0.04	8,607,128	0.06	7,958	0.08
EMPIRE TELEPHONE	4,263,163	0.04	9,421,469	0.07	6,402	0.06
STATE TELEPHONE CO.	4,022,882	0.04	4,276,253	0.03	6,809	0.07
AUSABLE VALLEY TEL	3,611,089	0.04	6,942,906	0.05	5,553	0.05
MIDDLEBURGH TEL	3,525,049	0.04	8,065,265	0.06	5,139	0.05
BERKSHIRE TELEPHONE	3,506,197	0.04	6,199,585	0.04	4,832	0.05
TRUMANSBURG HOME TEL	3,378,731	0.03	6,995,078	0.05	5,884	0.06
CHAMPLAIN TELEPHONE	3,284,899	0.03	6,127,264	0.04	4,684	0.04
DELHI TELEPHONE CO.	2,636,232	0.03	4,330,838	0.03	4,456	0.04
ONTARIO TELEPHONE	2,603,001	0.03	3,150,428	0.02	3,849	0.04
NEWPORT TELEPHONE	2,271,635	0.02	3,503,154	0.03	2,868	0.03
CHAZY & WESTPORT TEL	2,100,978	0.02	3,621,967	0.03	3,027	0.03
TOWNSHIP TELEPHONE	2,075,991	0.02	6,412,151	0.05	5,476	0.05
MARGARETVILLE TEL	1,982,510	0.02	3,653,496	0.03	3,339	0.03
ONEIDA CO RURAL TEL	1,967,119	0.02	2,757,756	0.02	3,075	0.03
PORT BYRON TELEPHONE	1,835,721	0.02	2,325,973	0.02	2,811	0.03
GERMANTOWN TELEPHONE	1,806,849	0.02	2,687,568	0.02	2,054	0.02
ARMSTRONG TEL	1,761,404	0.02	2,619,829	0.02	2,886	0.03
CITIZENS TEL OF HAMMOND	1,596,461	0.02	2,768,155	0.02	1,338	0.01
VERNON TELEPHONE	1,493,730	0.02	2,449,347	0.02	2,234	0.02
EDWARDS TELEPHONE	1,478,715	0.01	2,874,917	0.02	1,693	0.02
NICHOLVILLE TEL	1,404,827	0.01	2,912,998	0.02	1,925	0.02
HANCOCK TELEPHONE	1,344,236	0.01	2,079,503	0.01	1,407	0.01
PATTERSONVILLE TEL	1,173,943	0.01	1,219,644	0.01	1,153	0.01
CROWN POINT TEL	976,583	0.01	1,123,062	0.01	825	0.01
CASSADAGA TELEPHONE	560,149	0.01	818,404	0.01	1,194	0.01
CLYMER TELEPHONE	548,019	0.01	878,940	0.01	898	0.01
FISHERS ISLAND TEL	504,780	0.01	348,192	0.00	904	0.01
ORISKANY FALLS TEL	388,085	0.00	636,871	0.00	708	0.01
	$9,878,775,777	100.00%	$13,927,539,770	100.00%	10,417,698	100.00%

Accounting and Reporting Changes

As of January 1, 1988, the jurisdictional telephone companies were required to adopt a completely revised Uniform System of Accounts (USOA) issued by the Commission for financial accounting and reporting purposes. The new USOA, which replaces a system that had been in effect for almost 50 years, is designed to satisfy the PSC's regulatory and other new information needs in the changing competitive telephone environment.

Some of the features of the new USOA include: new account structures used for the balance sheet and income statement; new accounting rules to accommodate generally accepted accounting principles used by competitive entities; and special rules to separate the accounting for regulated and non-regulated activities that are being offered on an integrated basis.

As a result of these changes, the old accounting system is not compatible with the new accounts and rules prescribed in the revised USOA. Therefore, this publication will present the 1989 telephone financial data using the new USOA accounts, with comparisons made only to 1988, and without comparison to data for earlier years.

Telephone Deregulation

In 1984, the FCC concluded that the regulation of customer premises equipment (CPE) was no longer warranted, and continued regulation would interfere with the desirable effects resulting from market competition.

As a result, the New York PSC adopted procedures in line with the FCC mandate to deregulate CPE as of December 31, 1987. The Commission ordered that independent telephone companies (those that are not part of the former Bell system) have the option to provide CPE services through separate subsidiaries only if the subsidiary is physically separate from the regulated telephone company; otherwise, independents must transfer CPE to non-regulated accounts within the regulated telephone accounting system.

New York Telephone (a Bell operating company or BOC) transferred all embedded CPE to AT&T upon divestiture in 1984. These services are provided by AT&T through a subsidiary.

Along with the move to deregulate CPE, the FCC ordered that the installation and maintenance of inside wire (ISW) shall not be offered under tariff after December 31, 1986. A three-year extension to deregulate the maintenance of

ISW in New York was granted by the FCC in response to petitions by the New York PSC, to forestall the likelihood of abrupt rate increases.

Under the provision of federal decisions, ownership of inside wire will remain with the telephone companies, unless a company decides to give away or abandon the wire, in which case it will become the property of the premises owners. In spite of the telephone companies retaining ownership of ISW, federal rulings prohibit the tariffing of charges for such wire. As of January 1, 1990, maintenance costs for ISWs will be eliminated from tariffs. The revenues and costs associated with ISW are to be transferred to non-regulated operations.

Subsequent court decisions have severely restricted preemption of intrastate regulation over this service and other matters.

ATTCOM Incentive Plan

In May 1989, the NYS Public Service Commission proposed an incentive regulation plan as an alternative to traditional rate base regulation for AT&T Communications of New York, Inc. (ATTCOM).

The Commission's alternative plan would freeze ATTCOM's rates for basic message toll service (MTS), operator services (OS) and directory assistance (DA) service at current levels until January 1, 1992, and permit substantial pricing flexibility for other competitive services. That flexibility will be subject to two constraints: that no rate element be increased by more than 25% per year, and that the annual revenue increase from price increases, without hearings, be limited to 2.5%.

The rapid introduction of new services without prior analysis of cost support would be allowed. Changes in access charges, separations, regulatory costs imposed due to regulatory requirements and the effects of tax law changes would be flowed through to customers. ATTCOM would be required to continue to offer universal service at geographically averaged prices and to share equally with ratepayers earnings in excess of a predetermined level.

Telephone Settlements

New York Telephone Company

Following the last full New York Telephone rate case in October 1985, the company entered into an agreement allowing it limited cost recovery in August 1986 and August 1987, on condition that it would not file a general rate application before September 1987.

A rate filing in August 1987 led to the determination that certain cost savings from the Tax Reform Act of 1986 and pension and benefit cost savings were to be used to fund a $100 million rate decrease, and to offset certain costs. Some of these savings were assigned to accelerate the recovery of inside wire investments prior to the detariffing of inside wire on January 1, 1990.

The company also agreed that there would not be a general increase in rates until 1991. However, the company could recognize, in August 1988 and August 1989, certain increases in its revenue requirement, the combined total not to exceed a cap of $100 million.

On December 12, 1989, New York Telephone and the Department of Public Service staff agreed to a proposed "Comprehensive Regulatory Issues Settlement Plan," which was later rejected by the Commission. New York Telephone subsequently filed a proposed $965 million rate increase, which is still pending.

Telephone Revenue

Total telephone operating revenues for 1989 decreased by $132 million, or 1.3%, from 1988. The decrease can be traced, to a large extent, to a drop in long distance services revenues.

Telephone revenues by source for 1989 and 1988 are shown in the table that follows:

New York Telephone Companies
Operating Revenues

	1989		1988	
	Dollars	% of Total	Dollars	% of Total
Local Network Service	$4,531,497,899	45.87%	$4,494,722,862	44.90%
Network Access Service	2,455,799,779	24.86%	2,424,182,586	24.22%
Long Distance Network Services	2,337,331,399	23.66%	2,483,880,076	24.81%
Miscellaneous Revenues	554,146,703	5.61%	608,117,916	6.07%
Total Revenues	$9,878,775,780	100.00%	$10,010,903,440	100.00%

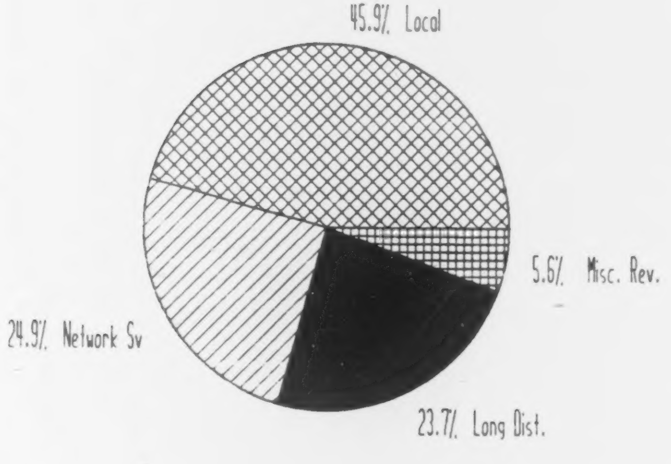
The Telephone Dollar

During 1989, 45.9% of the total telephone industry revenues were derived from local service. Network access charges, those fees paid by interexchange carriers to LECs for access to the local lines, represent 24.9% of total revenue, while long distance service and miscellaneous revenues contributed 23.6% and 5.6%, respectively, toward total revenue.

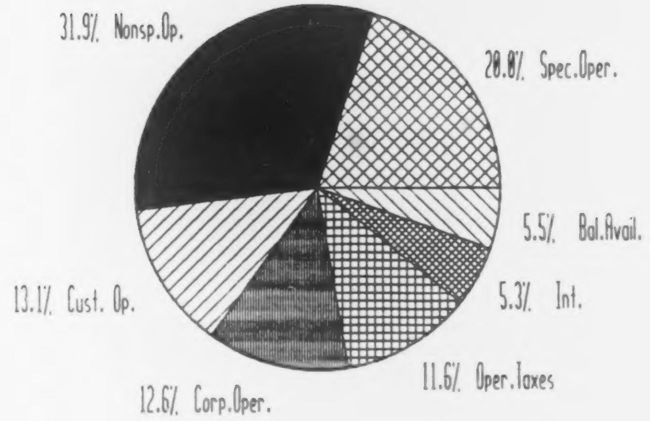
For every dollar of revenue received in 1989, 20% was used to cover the cost of specific plant operations, those expenses directly incurred in inspecting, testing and maintaining telecommunication plant. The largest use of revenue, accounting for 32% collectively, is the nonspecific plant operations (NPO). NPO is comprised of expenses incurred in providing telephone service, *i.e.*, network operation, administration, access and depreciation and amortization. Customer operation and corporate operations represent 13.1% and 12.6% of revenue expenditures, respectively, while taxes account for 11.6% and interest 5.3%. Balance available to shareholders represents 5.5% of every revenue dollar.

The sources of the telephone revenue dollar and its major uses are depicted on the following charts.

REVENUE SOURCES



USES OF REVENUE



Access Lines

The number of average access lines increased slightly in 1989, by 10,193 lines, or .1%, from 1988. While access lines increased industry-wide, New York Telephone, the largest LEC, experienced a decrease of 17,252 lines, due to customers switching to a number of alternative private line providers. After removing the operating revenues of AT&T Communications of New York, which does not provide local service and therefore has no access lines, the average revenue per access line decreased $2.52 per line, from $767.74 per line in 1988 to $765.22 per line in 1989.

The following table is a comparison of the average access lines, total operating revenues and revenues per average access lines.

New York State Telephone Companies
Revenues per Access Line

	Average Access Lines in Service		Total Operating Revenues		Revenue per Access Line	
TELEPHONE COMPANIES*	1989	1988	1989	1988	1989	1988
ALLTEL NEW YORK, INC.	83,258	82,131	$44,798,511	41,425,693	538	504
ARMSTRONG TEL	2,886	2,853	1,761,404	1,391,929	610	488
AUSABLE VALLEY TEL	5,553	5,414	3,611,089	3,161,889	650	584
BERKSHIRE TELEPHONE	4,832	4,729	3,506,197	3,322,524	726	703
CASSADAGA TELEPHONE	1,194	1,141	560,149	538,769	469	472
CHAMPLAIN TELEPHONE	4,684	4,570	3,284,899	3,019,031	701	661
CHAUTAUQUA & ERIE	9,145	8,642	5,750,618	4,645,154	629	538
CHAZY & WESTPORT TEL	3,027	2,795	2,100,978	1,720,203	694	615
CITIZENS TEL OF HAMMOND	1,338	1,296	1,596,461	1,087,229	1,193	839
CLYMER TELEPHONE	898	915	548,019	498,776	610	545
CONTINENTAL TEL NY	242,451	234,675	175,721,904	168,453,402	725	718
CROWN POINT TEL	825	800	976,583	838,958	1,184	1,049
DELHI TELEPHONE CO.	4,456	4,226	2,636,232	2,481,235	592	587
DEPOSIT TELEPHONE	7,264	7,121	4,417,501	4,139,751	608	581
DUNKIRK & FREDONIA	8,542	8,275	4,479,693	3,728,475	524	451
EDWARDS TELEPHONE	1,693	1,657	1,478,715	1,333,740	873	805
EMPIRE TELEPHONE	6,402	6,143	4,263,163	4,514,646	666	735
FISHERS ISLAND TEL	904	875	504,780	437,251	558	500
GERMANTOWN TELEPHONE	2,054	2,004	1,806,849	1,576,916	880	787
HANCOCK TELEPHONE	1,407	1,364	1,344,236	1,190,252	955	873
HIGHLAND TELEPHONE	47,942	47,238	32,933,315	29,538,330	687	625
MARGARETVILLE TEL	3,339	3,228	1,982,510	1,703,235	594	528
MIDDLEBURGH TEL	5,139	4,968	3,525,049	3,185,140	686	641
NEW YORK TELEPHONE CO.	9,404,381	9,421,633	7,356,784,978	7,405,277,033	782	786
NEWPORT TELEPHONE	2,868	2,738	2,271,635	2,371,872	792	866
NICHOLVILLE TEL	1,925	1,887	1,404,827	1,198,785	730	635
OGDEN TELEPHONE CO.	17,642	17,009	7,555,310	6,471,643	428	380
ONEIDA CO RURAL TEL	3,075	2,960	1,967,119	1,935,212	640	654
ONTARIO TELEPHONE	3,849	3,825	2,603,001	2,513,912	676	657
ORISKANY FALLS TEL	708	670	388,085	367,717	548	549
PATTERSONVILLE TEL	1,153	1,138	1,173,943	1,016,756	1,018	893
PORT BYRON TELEPHONE	2,811	2,719	1,835,721	1,803,730	653	663
ROCHESTER TELEPHONE	449,906	437,892	246,605,800	241,839,282	548	552
SENECA-GORHAM TEL	7,958	7,754	4,416,852	4,046,994	555	522
STATE TELEPHONE CO.	6,809	6,795	4,022,882	3,839,779	591	565
SYLVAN LAKE TEL	13,277	13,117	8,166,245	7,494,147	615	571
TACONIC TELEPHONE	20,790	20,137	12,490,316	10,638,187	601	528
TOWNSHIP TELEPHONE	5,476	5,346	2,075,991	1,848,726	379	346
TRUMANSBURG HOME TEL	5,884	5,776	3,378,731	3,243,240	574	562
VERNON TELEPHONE	2,234	2,147	1,493,730	1,431,579	669	667
WARWICK VALLEY TEL	17,719	16,902	9,693,591	9,084,083	547	537
	10,417,698	10,407,505	$7,971,917,612	$7,990,355,205	765	768

*AT&T Communications of New York does not provide local service and is not included in this table.

Capitalization

To finance the additions and improvements of the telephone system, the industry has increased its total permanent capitalization by $220 million, or 2%, since 1988. This modest rate of growth is deceiving, however, because the industry finances a considerable amount of its plant additions through internally generated funds.

A comparison of the industry's capitalization for 1989 and 1988 is shown in the following table:

New York State Telephone Companies
Capitalization
1988-1989

	1989		1988		Increase/Decrease	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Long Term Debt	$4,988,562,753	54.82%	$4,802,666,510	54.08%	$185,896,243	84.45%
Preferred Stock	29,864,570	0.33%	30,244,870	0.34%	(380,300)	-0.17%
Common Stock	4,081,744,158	44.85%	4,047,147,177	45.58%	34,596,981	15.72%
	$9,100,171,481	100.00%	$8,880,058,557	100.00%	$220,112,924	100.00%

Earnings Available, Dividends and Payout Ratios

The 1988 earnings available of $735 million reflects a substantial decrease of $263 million (26.4%) below the 1988 level. New York Telephone's available earnings decreased $274 million (27.9%), from $852 million in 1988 to $578 million in 1989.

During the fourth quarter of 1989, NYT recorded $296 million of pre-tax charges in five categories: (1) operational restructuring, (2) work stoppage, which occurred from August 6 to December 1, 1989, (3) asset write-downs, (4) benefit plan changes, *i.e.* voluntary early retirement, and (5) regulatory and other items. During the same period of time, however, NYT's common dividend increased by $17 million, up 2.5% from 1988. Conversely, ATTCOM increased earnings $11 million, or 17.5%, while cutting its common dividend $89 million, or 53.8%.

The earnings available for common, common dividends and payout ratios for 1989 and 1988 are shown in the following table.

New York State Telephone Companies
Earnings Available, Dividends and Payout Ratios
1988 – 1989

TELEPHONE COMPANIES	Earnings Available		Common Dividends		Payout Ratios	
	1989	1988	1989	1988	1989	1988
NEW YORK TELEPHONE CO.	$577,890,350	$851,558,475	$701,868,000	$684,672,000	121.45%	80.40%
ATT COM - N.Y.	71,766,005	61,063,338	76,333,000	165,239,000	106.36%	270.60%
ROCHESTER TELEPHONE	37,022,460	41,257,181	34,071,637	31,105,197	92.03%	75.39%
CONTINENTAL TEL NY	22,074,969	21,334,945	14,200,000	15,200,000	64.33%	71.24%
ALLTEL NEW YORK, INC.	5,581,677	4,458,823	3,553,983	3,404,700	63.67%	76.36%
HIGHLAND TELEPHONE	5,248,999	4,866,721	3,202,710	2,930,524	61.02%	60.22%
WARWICK VALLEY TEL	3,428,794	1,333,208	1,399,087	683,998	40.80%	51.30%
SYLVAN LAKE TEL	1,393,401	1,243,675	825,600	740,879	59.25%	59.57%
SENECA-GORHAM TEL	1,088,237	208,708	505,000	71,070	46.41%	34.05%
OGDEN TELEPHONE CO.	947,463	693,967	263,721	242,523	27.83%	34.95%
STATE TELEPHONE CO.	933,462	948,300	200,000	250,000	21.43%	26.36%
CHAUTAUQUA & ERIE	920,446	800,457	509,107	429,559	55.31%	53.66%
EMPIRE TELEPHONE	776,120	770,702	57,772	---	7.44%	---
DEPOSIT TELEPHONE	729,316	892,100	195,842	201,733	26.85%	22.61%
ONTARIO TELEPHONE	628,479	596,838	87,860	86,940	13.98%	14.57%
MIDDLEBURGH TEL	577,428	542,377	24,000	43,000	4.16%	7.93%
DUNKIRK & FREDONIA	554,048	261,014	351,990	351,990	63.53%	134.85%
BERKSHIRE TELEPHONE	532,688	496,138	30,720	30,720	5.77%	6.19%
TRUMANSBURG HOME TEL	454,473	494,165	83,084	83,084	18.28%	16.81%
DELHI TELEPHONE CO.	380,859	302,839	79,200	95,040	20.80%	31.38%
AUSABLE VALLEY TEL	379,327	201,703	151,556	70,751	39.95%	35.08%
MARGARETVILLE TEL	355,539	265,885	260,000	130,000	73.13%	48.89%
GERMANTOWN TELEPHONE	348,732	303,483	4,000	4,000	1.15%	1.32%
CHAMPLAIN TELEPHONE	338,045	103,006	44,916	12,881	13.29%	12.51%
CHAZY & WESTPORT TEL	291,460	123,925	---	---	---	---
EDWARDS TELEPHONE	275,481	284,952	---	100,000	---	35.09%
TOWNSHIP TELEPHONE	217,908	196,750	---	---	---	---
PORT BYRON TELEPHONE	205,207	190,434	1,097	1,100	0.53%	0.58%
ARMSTRONG TEL	195,730	72,116	---	---	---	---
PATTERSONVILLE TEL	160,111	124,862	189,000	46,813	118.04%	37.49%
NICHOLVILLE TEL	140,173	100,531	2,460	2,460	1.75%	2.45%
ONEIDA CO RURAL TEL	122,343	197,787	3,404	3,404	2.78%	1.72%
HANCOCK TELEPHONE	112,663	85,896	21,600	14,400	19.17%	16.76%
CITIZENS TEL OF HAMMOND	112,030	59,786	---	---	---	---
CASSADAGA TELEPHONE	87,986	86,436	6,255	12,510	7.11%	14.47%
CROWN POINT TEL	73,166	42,537	---	---	---	---
CLYMER TELEPHONE	67,411	17,119	46,567	24,277	69.08%	141.81%
ORISKANY FALLS TEL	61,507	72,473	---	---	---	---
FISHERS ISLAND TEL	54,561	42,406	10,000	10,000	18.33%	23.58%
NEWPORT TELEPHONE	(51,397)	100,351	16,652	16,652	-32.40%	16.59%
VERNON TELEPHONE	(93,320)	(4,010)	8,400	---	-9.00%	---
TACONIC TELEPHONE	(872,786)	2,136,793	384,916	344,234	-44.10%	16.11%
	$735,511,551	$998,929,192	$838,993,136	$906,655,439	114.07%	90.76%

The Water Industry

Highlights

Ranking

There are ten Class A & B water companies in the state with annual operating revenues of $700,000 or more. In 1985, there were 15 Class A & B water companies. At that time, the revenue threshold for designating a water company A & B was $100,000 or more. Two of the five companies no longer counted as Class A & B were bought out by municipalities and the other three were too small to meet the qualifying revenue thresholds which changed in 1987.

Based on revenues, Jamaica Water Supply Company is the largest privately owned water company in the State with about 35% of the industry's revenues and customers. Jamaica also has the largest investment in net plant in New York State at $92.3 million. In 1989, A & B water utilities received $149 million in water revenues on a net plant investment of $301 million.

The table which follows ranks the water companies by revenue and shows net plant in service and number of customers for 1989.

Water Utilities In New York State -1989

Name	Revenue (Thousands)	Net Plant (Thousands)	Customers	Average Plant Per Customer
Jamaica Water Supply	$51,851	$92,298	118,500	$779
Spring Valley Water	32,328	89,593	56,219	1,594
Long Island Water	26,830	36,527	73,549	497
New York Water Service	14,751	27,791	43,848	634
New Rochelle Water	12,306	27,972	29,872	936
New York-American	6,355	10,423	11,119	937
Sea Cliff Water	1,408	2,720	4,266	638
Shorewood Water	1,201	8,984	5,200	1,728
Country Knolls Water	1,152	2,775	5,327	521
Owego Water Works	707	1,589	1,491	1,066
Total	$148,889	$300,673	$349,391	861

Customer Bills

Over the past five years, metered water revenues and sales for the ten Class A & B water companies increased from $96.2 million on 44.7 billion gallons of water sold in 1985, to $128.7 million and 50.4 billion gallons in 1989. These figures represent increases of 34% and 13%, respectively.

In 1989, the quarterly bill for metered customers ranged from a low of $39.49 for the customers of Shorewood Water, to a high of $129.01 for the customers of New York-American. However, the highest cost per thousand gallons sold was for the customers of Spring Valley Water and the lowest cost per thousand gallons was for the customers of Shorewood Water. The quarterly water bill was greater in 1989 than in 1985 for the customers of all water companies except Country Knolls Water.

The average usage per customer decreased for eight of the ten water companies. For Jamaica Water, this reduction in usage is attributable to its program to convert unmetered customers to metered usage. Jamaica reported about 3,600 conversions in 1989. As of December 1989, Jamaica had only 1,918 unmetered customers, while in December 1985 the company had 39,828. Other companies experienced decreased usage due to a combination of conservation, weather conditions and increases in price.

The table which follows compares the quarterly bill, average quarterly use and the cost per thousand gallons of water for the ten largest water companies in 1989 and 1985.

Quarterly Bill Data
Average Metered Customer

1989	Country Knolls	Jamaica Water	Long Island Water	New Rochelle	New York-American
Quarterly Bill	$51.43	$90.95	$85.58	$93.44	$129.01
Quarterly Use - Thousand Gallons	19.97	43.15	30.63	46.57	38.81
Average Per Thousand Gal. Sold	$2.57	$2.11	$2.79	$2.01	$3.32
1985					
Quarterly Bill	$52.58	$75.02	$72.15	$87.47	$115.47
Quarterly Use - Thousand Gallons	21.00	48.93	33.14	45.90	35.60
Average Per Thousand Gal. Sold	$2.50	$1.53	$2.18	$1.91	$3.24
Increase/(Decrease) - %					
Quarterly Use - Thousand Gallons	(4.9)%	(11.8)%	(7.6%)	1.5%	9.0%
Average Per Thousand Gal. Sold	2.8%	37.5%	28.3%	5.3%	2.5%

Quarterly Bill Data
Average Metered Customer

1989	New York Water Svc	Owego Water	Sea Cliff Water	Shorewood Water	Spring Valley
Quarterly Bill	$77.28	$106.96	$71.32	$39.49	$123.78
Quarterly Use - Thousand Gallons	26.07	58.94	21.14	25.03	36.46
Average Per Thousand Gal. Sold	$2.96	$1.81	$3.37	$1.58	$3.40
1985					
Quarterly Bill	$58.32	$105.67	$59.18	$29.67	$117.30
Quarterly Use - Thousand Gallons	26.94	79.39	23.01	26.74	33.86
Average Per Thousand Gal. Sold	$2.16	$1.33	$2.57	$1.11	$3.46
Increase/(Decrease) - %					
Quarterly Use - Thousand Gallons	(3.2)%	(25.8)%	(8.2)%	(6.4)%	7.7%
Average Per Thousand Gal. Sold	36.9%	36.3%	31.2%	42.1%	(2.0)%

Revenues and Sales

Operating revenues for the ten Class A & B water companies increased by $26.4 million (21.6%) in the period from 1985 to 1989. The cost per thousand gallons rose from $2.15 in 1985 to $2.55 (18.6%) in 1989 for metered customers, and from $1.40 per thousand gallons for unmetered customers to $1.74 (24.3%).

Other water revenues, which account for 12.9% of total revenue, consist of fire protection services, sales to public authorities, sales to irrigation customers, sales for resale and interdepartmental sales.

The following table compares revenues by category of sales for 1989 and 1985.

Water Revenues

	1989		1985	
	Thousands	% Total	Thousands	% Total
Metered Sales	$128,667	86.4%	$96,207	78.6%
Unmetered Sales	956	0.6	10,893	8.9
Other Water Revenues	19,266	12.9	15,341	12.5
Total	$148,889	100.0%	$122,441	100.0%

During the 1985–1989 period, the number of customers increased by almost 10,000. Total water consumption declined during this period from 52.8 billion gallons to 51.3 billion gallons.

The table which follows shows the cost per thousand gallons sold for metered and unmetered customers.

Cost Per Thousand Gallons of Water

	1989			1985		
	Revenue (Thousands)	Gallons (Millions)	Cost Per 1,000 Gallons (Dollars)	Revenue (Thousands)	Gallons (Millions)	Cost Per 1,000 Gallons (Dollars)
Metered Sales	$128,667	50,365	$2.55	$96,207	44,665	$2.15
Unmetered Sales	956	551	1.74	10,893	7,768	1.40

Capitalization

The total capitalization of the water industry increased by $65 million or 28% during the 1985–1989 period. The common equity position of the industry strengthened considerably during the period with an increase of $38.9 million (30%). Long-term debt increased by $19 million, but its relative proportion of the total capitalization declined from 39.7% in 1985 to 37.4% in 1989.

The table which follows summarizes the capitalization of the water industry by components for 1985 and 1989:

	Capitalization			
	1989		1985	
	Amount (Millions)	% of Total	Amount (Millions)	% of Total
Long-term Debt	$111.8	37.4%	$92.8	39.7%
Preferred Stock	18.8	6.3	11.6	5.0
Common Equity	168.1	56.3	129.2	55.3
Total	$298.7	100.0%	$233.6	100.0%

Earnings Available, Dividends and Payout Ratios

Earnings available to the common shareholders of the ten water companies included in this study decreased by $700,000 (5.1%) during the five-year period from 1985 to 1989. During the same period, dividends declared decreased by 3.3%, due mainly to the reduction in dividends by Long Island Water to a 52.8% share, down significantly from 108.5% in 1985. The composite payout ratio increased slightly by 0.7% from 1985 to 1989.

The table which follows shows earnings available for common dividends, common dividends declared, and the payout ratio for the three largest companies and the other seven.

Earnings Available, Dividends and Payout Ratios

Companies	Earnings Available (Thousands)		Common Dividends (Thousands)		Payout Ratios	
	1989	1985	1989	1985	1989	1985
Spring Valley Water	$4,064	$4,713	$3,291	$3,046	81.0%	64.6%
Jamaica Water Supply	5,437	3,216	1,721	1,092	31.6	33.9
Long Island Water	1,548	1,966	817	2,133	52.8	108.5
Other 7 Companies	2,117	3,941	596	380	28.2	9.6
Total	$13,167	$13,836	$6,425	$6,650	48.8%	48.1%

AVERAGE ANNUAL BILL TABLES

Electric Service Companies

Gas Service Companies:

Combination

Straight

Water Service Companies

Average Annual Bills

This section includes a summation by industry of the average annual bills from the electric, gas and water utility statements following in this report. These figures are mathematical averages calculated from reported revenues and usage and are not derived directly from customers' bills.

Average Annual Bill Data
Electric Service Companies
1989

Company	Average Number Of Customers	Sales Revenues	Kilowatt-Hours Sold	Average Annual Bill Per Customer	Average Usage Per Customer	Average Revenue Per KWH Sold
	(Thousands)	(Millions)	(Millions)		(000 KWH)	(Cents)
			Total			
Central Hudson	248	$395	5,625	1,589	22.6	7.02
Consolidated Edison	2,909	4,285	37,361	1,473	12.8	11.47
Long Island	995	1,983	16,809	1,992	16.9	11.80
New York State E&G	753	1,218	17,516	1,617	23.3	6.95
Niagara Mohawk	1,481	2,290	34,481	1,546	23.3	6.64
Orange & Rockland	180	354	4,563	1,968	25.4	7.76
Rochester G&E	324	573	7,558	1,770	23.3	7.58
Composite	6,891	$11,098	123,912	1,610	18.0	8.96
			Residential			
Central Hudson	215	$148	1,509	688	7.0	9.81
Consolidated Edison	2,504	1,342	9,699	536	3.9	13.83
Long Island	890	916	7,063	1,028	7.9	12.96
New York State E&G	672	511	5,233	760	7.8	9.76
Niagara Mohawk	1,334	840	9,731	630	7.3	8.64
Orange & Rockland	158	119	997	753	6.3	11.90
Rochester G&E	292	199	2,072	682	7.1	9.61
Composite	6,065	$4,074	36,304	672	6.0	11.22
			Commercial and Industrial			
Central Hudson	30	$190	2,920	6,282	96.7	6.50
Consolidated Edison	404	2,747	24,709	6,806	61.2	11.12
Long Island	100	982	8,636	9,770	85.9	11.37
New York State E&G	70	458	6,391	6,504	90.7	7.17
Niagara Mohawk	144	1,354	23,474	9,380	162.6	5.77
Orange & Rockland	22	147	1,717	6,677	77.8	8.58
Rochester G&E	30	290	3,739	9,806	126.4	7.76
Composite	801	$6,168	71,585	7,703	89.4	8.62
			Sales for Resale			
	(Units)					
Central Hudson	9	$32	879			3.59
Consolidated Edison	4	147	2,418			6.07
Long Island	3	43	639			6.74
New York State E&G	9	134	4,461			3.01
Niagara Mohawk	150	54	1,053			5.11
Orange & Rockland	6	81	1,758			4.59
Rochester G&E	8	38	1,255			3.03
			All Other Sales			
Central Hudson	2,974	$25	317			8.00
Consolidated Edison	1,375	50	535			9.38
Long Island	4,450	42	471			8.97
New York State E&G	10,657	114	1,432			7.99
Niagara Mohawk	3,158	42	224			18.75
Orange & Rockland	412	8	91			8.28
Rochester G&E	2,466	46	492			9.34

Average Annual Bill Data
Combination Gas Companies
1989

Company	Average Number Customers (Thousands)	Sales Revenues (Millions)	Mcf Sold (Thousands)	Average Annual Bill Per Customer	Average Usage Per Customer (Mcf)	Average Revenue Per Mcf Sold
			Total			
Central Hudson	55	$66	11,461	$1,208	208.6	$5.79
Consolidated Edison	1,026	685	94,307	668	91.9	7.27
Long Island Lighting	424,006	369	58,349	1	0.1	6.32
New York State E&G	141	154	25,616	1,093	182.0	6.01
Niagara Mohawk	461	465	78,480	1,009	170.3	5.93
Orange & Rockland	102	125	21,793	1,224	212.8	5.75
Rochester G&E	256	254	39,140	993	153.0	6.49
Composite	426,047	$2,119	329,147	$5	0.8	$6.44
			Residential			
Central Hudson	49	$31	4,331	$643	89.2	$7.21
Consolidated Edison	932	405	47,266	435	50.7	8.57
Long Island Lighting	384	241	34,430	627	89.6	7.00
New York State E&G	121	94	14,933	774	123.1	6.29
Niagara Mohawk	242	318	51,452	1,309	212.2	6.17
Orange & Rockland	93	83	13,795	891	147.7	6.03
Rochester G&E	236	186	28,004	786	118.5	6.64
Composite	2,058	$1,358	194,211	$660	94.3	$6.99
			Commercial and Industrial			
Central Hudson	6	$28	5,743	4,769	968.3	$4.93
Consolidated Edison	92	244	39,877	2,641	431.5	6.12
Long Island Lighting	40	120	20,737	3,036	523.5	5.80
New York State E&G	18	49	8,734	2,690	477.5	5.63
Niagara Mohawk	36	138	25,063	3,818	692.2	5.52
Orange & Rockland	9	39	7,153	4,349	791.5	5.49
Rochester G&E	18	61	9,937	3,308	538.6	6.14
Composite	220	$680	117,243	3,094	533.1	$5.80
			Sales for Resale			
	(Units)					
New York State E&G	1	0 /1	5			$5.44
Niagara Mohawk	2	9	1,965			4.72
Orange & Rockland	2	3	827			3.27
			All Other Sales			
Central Hudson	436	$7	1,387			4.93
Consolidated Edison	1,728	36	7,164			5.02
Long Island Lighting	1	8	3,183			2.45
New York State E&G	1,144	11	1,943			5.53
Orange & Rockland	1	0 /2	18			5.50
Rochester G & E	1,060	7	1,200			6.02

/1 Sales Revenue $28,576

/2 Sale Revenue $100,763.

Average Annual Bill Data
Straight Gas Companies
1989

Company	Average Number of Customers	Sales Revenues	Mcf Sold	Average Annual Bill Per Customer	Average Usage Per Customer	Average Revenue Per Mcf Sold
	(Thousands)	(Millions)	(Thousands)		(Mcf)	
			Totals			
Brooklyn Union	1,097	$955	118,051	$871	107.6	$8.09
Columbia Gas	67	62	12,013	922	178.0	5.18
Corning Gas	13	16	3,062	1,260	242.0	5.21
National Fuel	705	709	128,890	1,007	182.9	5.50
St. Lawrence Gas	12	27	8,246	2,361	708.1	3.33
Syracuse Suburban	4	9	1,590	2,010	360.5	5.57
Composite	1,898	$1,779	271,853	$938	143.3	$6.54
			Residential			
Brooklyn Union	1,059	$775	89,980	$732	85.0	$8.61
Columbia Gas	61	40	7,584	666	124.8	5.34
Corning Gas	12	9	1,643	786	140.4	5.60
National Fuel	659	513	88,833	779	134.7	5.78
St. Lawrence Gas	10	7	1,624	652	156.0	4.18
Syracuse Suburban	3	2	393	732	120.9	6.05
Composite	1,805	$1,347	190,057	$747	105.3	$7.09
			Commercial and Industrial			
Brooklyn Union	34	$142	20,937	$4,133	608.5	$6.79
Columbia Gas	7	22	4,429	3,241	660.0	4.91
Corning Gas	1	4	745	4,597	875.2	5.25
National Fuel	45	196	40,058	4,324	883.5	4.89
St. Lawrence Gas	1	21	6,622	16,826	5,379.8	3.13
Syracuse Suburban	1	6	1,180	5,528	1,018.7	5.43
Composite	90	$391	73,971	$4,359	824.6	$5.29
			Sales for Resale			
	(Units)					
Brooklyn Union	1	$1	170			$3.82
Corning Gas	1	2	530			$3.87
Syracuse Suburban	1	0 /1	17			$4.83
/1 Sales Revenue are $84,297.						
			All Other Sales			
Brooklyn Union	3,115	$37	6,965			$5.35
Corning Gas	100	1	145			$5.40

Average Annual Bill Data
Water Industry
1989

	Average Number of Customers	Sales	Gallons Sold	Average Annual Bill Per Customer	Average Usage Per Customer	Average Revenue Per Thousand Gallons Sold
Total		(Thousands)	(Millions)	Totals	(Thousand Gallons)	
Country Knolls	5,327	$1,144	426	$215	80	2.69
Jamaica Water	118,500	51,478	20,524	434	173	2.51
Long Island Water	73,549	26,979	8,939	367	122	3.02
New Rochelle	29,872	12,294	5,563	412	186	2.21
New-York American	11,119	6,354	1,774	571	160	3.58
New York Water Service	43,848	14,747	4,557	336	104	3.24
Owego Water	1,491	706	382	473	256	1.85
Sea Cliff Water	4,266	1,401	358	329	84	3.92
Shorewood Water	5,200	978	576	188	111	1.70
Spring Valley	56,219	32,282	8,163	574	145	3.95
Composite	349,391	$148,363	51,262	425	147	2.89
				Metered General Customers		
Country Knolls	5,327	1,096	426	206	80	2.57
Jamaica Water	115,724	42,101	19,974	364	173	2.11
Long Island Water	72,956	24,973	8,938	342	123	2.79
New Rochelle	29,387	10,984	5,474	374	186	2.01
New-York American	10,819	5,583	1,679	516	155	3.32
New York Water Service	43,692	13,506	4,557	309	104	2.96
Owego Water	1,438	615	339	428	236	1.81
Sea Cliff Water	4,230	1,207	358	285	85	3.37
Shorewood Water	5,084	803	509	158	100	1.58
Spring Valley	55,619	27,799	8,110	500	146	3.43
Composite	344,276	$128,667	50,365	374	146	2.55
				Unmetered General Customers		
Jamaica Water	1,918	$947	550	$494	194	$1.72
Long Island Water	6	9	1	1,514	231	13.16
Owego Water	2	0 1/	0 1/	80	231	3.31

1/Revenues of $159 and Sales of 48 Thousand Gallons.

RATE OF RETURN ON UTILITY RATE BASE

All Companies

RATE OF RETURN ON UTILITY RATE BASE

This section presents the computed rate of return on utility rate base for the years 1985 through 1989 for all companies included in this publication. For combination electric and gas corporations, rates of return for each major department are computed.

Rates of return were calculated on a uniform basis from information filed in company annual reports to the Commission, using the formula described below. These calculations on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Furthermore, the earned rates of return, as computed herein, are not necessarily the same rates of return that would be computed by staff in a formal proceeding. Differences may result because data in formal proceedings are analyzed in greater detail and some adjustments are usually made to booked amounts.

Table A distributes the companies according to 1988 rates of return. A total of 25 of the 31 companies experienced increases in rates of return in 1989 compared to 1985. The seven combination companies are included as electric, gas and steam companies. Table B reflects the aggregate average rate of return by the industry for the years 1985 through 1989.

Table A
Number of Companies Earning Indicated Rates of Return on Utility Rate Base in 1989

Rate of Return	Electric	Combination Gas	Steam	Straight Gas	Water	Total	Percent of Total
Less than 8.00	1	3	1	0	4	9	29.0
8.00 to 8.99	1	2	0	2	2	7	22.6
9.00 to 9.99	1	0	0	1	1	3	9.7
10.00 to 10.99	2	0	0	1	3	6	19.4
11.00 to 11.99	1	1	0	2	0	4	12.9
12.00 to 12.99	0	1	0	0	0	1	3.2
13.00 to 13.99	0	0	0	0	0	0	0.0
14.00 to 14.99	0	0	0	0	0	0	0.0
15.00 and above	1	0	0	0	0	1	3.2
	7	7	1	6	10	31	100.0%

1989 Compared to 1985 Levels

Increased	1	2	0	2	1	6	19.4
Decreased	6	5	1	4	9	25	80.6
No Change	0	0	0	0	0	0	0.0
	7	7	1	6	10	31	100.0%

Table B
Aggregate of Rate of Return on Utility Rate Base by Industry

	1989	1988	1987	1986	1985
Combination					
Electric	10.80	12.91	13.25	12.71	12.26
Gas	8.51	9.63	9.12	10.60	10.61
Steam	6.61	8.24	10.30	10.62	7.49
Straight Gas	10.82	10.52	9.77	10.90	10.89
Water	8.59	9.65	10.07	11.39	11.23

Rate of Return on Utility Rate Base

COMBINATION COMPANIES

ELECTRIC DEPARTMENT	1989	1988	1987	1986	1985
CENTRAL HUDSON G & E	9.45	12.30	18.83	19.04	17.90
CONSOLIDATED EDISON	10.12	10.36	10.05	10.13	10.60
LONG ISLAND LIGHING*	16.66	30.78	36.78	27.92	22.60
NEW YORK STATE E & G	10.82	12.81	12.10	11.41	9.87
NIAGARA MOHAWK	7.05	11.05	12.99	11.88	11.19
ORANGE & ROCKLAND	11.08	12.26	9.51	9.62	12.28
ROCHESTER G & E	8.25	11.82	14.13	13.71	14.22

*DUE TO THE COMPANY'S DEFERRED ACCOUNTING TREATMENT OF CERTAIN ITEMS RELATED TO CONSTRUCTION - NINE MILE 2 AND SHOREHAM (FOR LILCO) - THE RATES REPORTED HERE ARE ABNORMALLY HIGH. IT IS NOT POSSIBLE TO ADJUST THESE RETURNS BASED ON THE INFORMATION PRESENTED.

GAS DEPARTMENT					
CENTRAL HUDSON G & E	7.96	8.97	10.30	14.46	14.72
CONSOLIDATED EDISON	8.22	9.39	9.32	9.26	8.88
LONG ISLAND LIGHTING	5.58	10.01	10.30	10.54	12.71
NEW YORK STATE E & G	5.10	11.26	8.39	12.54	11.38
NIAGARA MOHAWK	8.91	9.00	8.14	12.37	11.63
ORANGE & ROCKLAND	11.17	8.67	8.50	7.51	8.72
ROCHESTER G & E	12.68	10.66	8.51	10.33	10.25

STRAIGHT GAS COMPANIES					
BROOKLYN UNION	10.56	11.20	10.77	11.66	11.58
COLUMBIA GAS	8.98	6.81	6.69	7.52	7.44
CORNING NATURAL GAS	9.32	8.25	8.52	9.13	9.53
NATIONAL FUEL GAS DIST.	11.46	9.72	8.30	9.81	9.90
ST. LAWRENCE GAS	11.46	11.74	10.88	9.08	12.73
SYRACUSE SUBURBAN	8.82	8.38	8.65	9.59	9.65

STEAM DEPARTMENT					
CONSOLIDATED EDISON	6.61	8.24	10.38	10.62	7.49

Rate of Return on Utility Rate Base
New York State

TELEPHONE COMPANIES	1989	1988
ALLTEL NEW YORK, INC.	9.97	9.09
ARMSTRONG TEL	6.98	5.71
AT&T COMM. OF NY	16.62	6.84
AUSABLE VALLEY TEL.	7.12	3.11
BERKSHIRE TELEPHONE	11.33	13.86
CASSADAGA TELEPHONE (a)	13.39	11.57
CHAMPLAIN TELEPHONE	5.79	2.60
CHAUTAUQUA & ERIE	12.53	11.14
CHAZY & WESTPORT	19.41	11.10
CITIZENS TEL OF HAMMOND	1.19	5.74
CLYMER TELEPHONE	11.85	2.47
CONTINENTAL TEL.OF N.Y.	10.93	11.39
CROWN POINT TELEPHONE	0.94	3.84
DELHI TELEPHONE CO.	8.54	7.50
DEPOSIT TELEPHONE (a)	14.26	13.24
DUNKIRK & FREDONIA	10.93	11.01
EDWARDS TELEPHONE	6.61	8.96
EMPIRE TELEPHONE	10.12	15.81
FISHERS ISLAND TEL. (a)	9.97	8.18
GERMANTOWN TEL.	14.44	12.72
HANCOCK TEL	5.81	7.89
HIGHLAND TEL.	13.28	9.03

(a) - New York State amounts not provided because Company uses average cost for toll settlements.

Rate of Return on Utility Rate Base
New York State

TELEPHONE COMPANIES	1989	1988
MARGARETVILLE TEL.	12.34	11.60
MIDDLEBURGH TEL.	8.30	11.46
NEWPORT TELEPHONE	9.20	11.57
NEW YORK TELEPHONE	6.74	10.76
NICHOLVILLE TELEPHONE	5.26	8.41
OGDEN TELEPHONE	10.18	10.40
ONEIDA COUNTY RURAL	5.28	6.74
ONTARIO TELEPHONE (a)	21.97	21.14
ORISKANY FALLS TEL. (a)	9.85	11.97
PATTERSONVILLE TEL. (b)	5.88	10.62
PORT BYRON TEL.	15.76	8.44
ROCHESTER TELEPHONE	10.30	10.26
SENECA-GORHAM TELEPHONE	17.22	9.69
STATE TELEPHONE CO. (a)	22.29	26.79
SYLVAN LAKE TELEPHONE	13.59	8.05
TACONIC TELEPHONE	20.96	8.90
TOWNSHIP TELEPHONE (a)	9.48	8.78
TRUMANSBURG HOME TEL. (a	10.06	11.09
VERNON TELEPHONE	8.23	6.50
WARWICK VALLEY TEL.	4.97	8.06

(a) - New York State amounts not provided because Company uses average cost for toll settlements.

(b) - In 1988, New York State amounts not provided because Company used average cost for toll settlements In 1989; company used actual cost for toll settlements.

Rate of Return on Utility Rate Base

WATER COMPANIES	1989	1988	1987	1986	1985
COUNTRY KNOLLS WATER	3.49	5.12	9.34	10.26	11.05
JAMAICA WATER SUPPLY	9.91	9.90	9.81	10.60	11.32
LONG ISLAND WATER	10.91	12.12	10.79	12.88	12.68
NEW ROCHELLE WATER	8.69	10.84	11.53	11.01	10.94
NEW YORK-AMERICAN	10.97	13.54	14.54	13.63	13.56
NEW YORK WATER SERVICE	5.32	7.75	8.44	15.72	12.22
OWEGO WATER WORKS	7.32	10.72	9.78	10.67	13.10
SEA CLIFF WATER CO.	10.95	10.37	10.58	14.16	15.24
SHOREWOOD WATER CORP.	1.27	2.47	2.94	3.15	0.07
SPRING VALLEY WATER	8.30	8.96	10.02	10.62	10.79

RATE OF RETURN ON COMMON EQUITY

All Companies

RATE OF RETURN ON COMMON EQUITY

This section presents the computed rates of return on common equity for all companies included in this report. The computed rate of return is the percentage relationship of earnings available *before* extraordinary items to the average of the beginning and year-ending balances of proprietary capital, less preferred stock.

It should be noted that these calculations by the Commission's staff on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return reported here are not necessarily the same rates of return that would be computed by the staff in a formal proceeding. Differences may occur because the data in formal proceedings are analyzed in detail and some adjustments are usually made to booked amounts.

The rates of return on common equity for 44 of the 65 companies increased in 1989 over the 1985 levels. Table A distributes the companies according to 1989 computed rates of return. Table B presents the aggregate average rate of return by industry for the years 1985 through 1989.

Table A

Number of Companies Earning Indicated Rates of Return on Common Equity in 1989

Rate of Return	Combination Companies	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 12.00	4	2	13	7	26	40.0%
12.00 to 12.99	1	2	2	1	6	9.2
13.00 to 13.99	2	2	2	2	8	12.3
14.00 to 14.99			5		5	7.7
15.00 to 15.99			2		2	3.1
16.00 to 16.99			3		3	4.6
17.00 and above	—	—	15	—	15	23.1
	7	6	42	10	65	100.0%

1989 Compared to 1985 Levels

Increased	1	4	15		20	30.8
Decreased	6	1	27	10	44	67.7
No Change	—	1	—	—	1	1.5
	7	6	42	10	65	100.0%

Table B

Aggregate of Rate of Return on Common Equity by Industry

	1988	1988	1987	1986	1985
Combination Companies	4.0	11.1	10.7	12.0	14.6
Straight Gas Companies	12.6	13.1	11.5	10.9	13.3
Telephone Companies	11.6	17.4	15.9	17.2	14.2
Water Companies	7.8	9.0	9.5	11.3	10.7

Rates of Return on Common Equity Before Extraordinary Items and Equity Ratios

	1989		1988		1987		1986		1985	
COMBINATION COMPANIES 1/	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION
CENTRAL HUDSON	10.6	37.8	12.6	37.0	14.7 2/	35.4	14.8	45.7	15.1	40.2
CONSOLIDATED EDISON	13.2	53.2	13.6	54.7	12.7	53.4	12.7	54.3	13.1	54.2
LONG ISLAND LIGHTING	---	26.9	7.5 4/	35.5	5.6 3/	43.7	7.5	41.7	16.2	41.5
NEW YORK STATE E & G	11.6	38.7	13.3	35.5	13.1 2/	33.0	15.2	39.5	14.2	39.8
NIAGARA MOHAWK POWER	5.5	32.4	8.7	33.6	11.4 2/	32.9	13.5	41.8	14.9	42.4
ORANGE & ROCKLAND	13.2	49.6	13.9	48.1	13.2	46.2	13.6	48.6	13.5	50.8
ROCHESTER G & E	12.0	39.1	13.0	37.0	13.7 2/	34.6	13.7	44.5	15.6	43.3
STRAIGHT GAS COMPANIES										
BROOKLYN UNION	12.2	45.9	13.9	48.4	13.1	48.5	10.2	49.8	14.3	47.7
COLUMBIA GAS NY	11.9	50.7	7.5	52.8	6.9	44.4	13.2	49.0	8.4	46.8
CORNING NATURAL GAS	12.3	47.3	13.0	44.1	12.6	50.8	13.5	88.0	12.3	85.5
NATIONAL FUEL DIST	13.7	46.5	11.6	53.9	8.1	50.3	12.1	50.2	11.5	55.5
ST. LAWRENCE GAS	13.3	99.9	13.2	100.0	12.2	45.0	13.6	48.6	13.4	56.9
SYRACUSE SUBURBAN	10.7	50.5	11.1	46.8	11.7	73.2	13.7	70.8	12.8	67.2

1/ COMPANIES PROVIDING ELECTRIC, GAS AND OTHER UTILITY SERVICES.
2/ RETURN CALCULATED BEFORE NINE MILE 2 AND OTHER PLANT WRITE-OFFS.
3/ RETURN ASSUMES PREFERRED DIVIDENDS WERE ACCRUED.
4/ RETURN CALCULATED BEFORE SHOREHAM, NINE MILE 2 AND OTHER PLANT WRITE-OFFS.

Rates of Return on Common Equity Before Extraordinary Items and Equity Ratios

	1989		1988		1987		1986		1985	
TELEPHONE COMPANIES	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION
ALLTEL NEW YORK,INC.	14.5	51.80	15.90	61.30	13.0	55.2	17.7	55.6	15.3	51.1
ARMSTRONG TEL	13.4	50.20	---	45.90	7.7	42.6	13.2	39.9	12.0	38.2
ATT COM - N.Y.	14.9	65.00	12.8	70.80	14.1	78.7	17.5	72.2	15.7	61.3
AUSABLE VALLEY TEL	13.9	41.10	8.6	38.70	10.7	32.7	17.0	23.9	33.6	18.2
BERKSHIRE TELEPHONE	20.3	49.10	23.2	43.80	21.1	38.8	16.3	33.8	19.3	30.2
CASSADAGA TELEPHONE	11.2	67.10	12.2	64.10	16.8	60.4	14.3	57.6	14.7	54.1
CHAMPLAIN TELEPHONE	12.1	48.50	4.0	45.30	7.2	43.9	16.8	42.1	26.7	41.8
CHAUTAUQUA & ERIE	16.9	66.30	8.0	61.90	14.6	61.1	17.7	59.6	22.3	51.7
CHAZY & WESTPORT TEL	20.7	41.00	10.3	36.30	12.2	33.4	18.3	30.3	19.8	27.5
CITZ.TEL.OF HAMMOND	26.0	18.10	17.7	26.1	21.5	23.8	29.4	19.5	56.1	9.1
CLYMER TELEPHONE	23.0	35.70	6.0	33.5	13.4	33.0	11.4	31.8	26.1	30.6
CONTINENTAL TEL NY	18.6	48.40	19.1	52.60	18.0	51.8	17.1	49.4	16.4	46.8
CROWN POINT TEL	19.2	26.10	19.5	21.00	12.0	27.3	4.1	16.4	12.5	15.7
DELHI TELEPHONE CO.	14.8	51.50	13.1	48.10	8.1	45.3	8.7	41.2	11.9	39.3
DEPOSIT TELEPHONE	14.1	70.4	13.3	76.30	22.0	71.8	16.5	66.5	17.6	61.6
DUNKIRK & FREDONIA	---	48.4	6.6	47.60	8.3	47.3	19.2	46.4	28.0	43.9
EDWARDS TELEPHONE	16.3	54.1	19.9	49.10	17.6	44.5	15.9	39.5	25.6	35.4
EMPIRE TELEPHONE	15.3	54.7	17.9	50.00	13.2	41.9	18.9	38.1	11.9	42.6
FISHERS ISLAND TEL	10.7	100.00	9.0	100.00	7.5	100.0	9.5	100.0	21.7	100.0
GERMANTOWN TELEPHONE	23.3	50.60	26.0	44.30	21.5	41.9	22.7	36.6	30.4	32.5

Rates of Return on Common Equity Before Extraordinary Items and Equity Ratios

	1989		1988		1987		1986		1985	
TELEPHONE COMPANIES	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION
HANCOCK TELEPHONE	12.7	36.80	10.7	34.00	12.8	43.1	12.9	39.5	17.8	36.5
HIGHLAND TELEPHONE	17.6	65.30	17.5	63.50	17.8	60.4	19.3	59.5	16.8	57.4
MARGARETVILLE TEL	18.7	52.20	11.1	46.60	14.1	46.5	18.0	42.6	13.1	37.6
MIDDLEBURGH TEL	11.3	43.10	11.3	38.60	14.5	41.8	9.6	38.1	21.8	35.7
NEWPORT TELEPHONE	---	24.00	11.3	25.10	9.1	24.4	21.2	30.2	14.8	25.7
NEW YORK TELEPHONE CO.	10.1	57.50	15.1	57.70	16.2	57.2	17.1 1/	58.0	13.8	57.5
NICHOLVILLE TEL	15.5	41.10	12.7	36.90	14.7	33.4	19.9	29.9	26.4	25.6
OGDEN TELEPHONE CO.	17.8	34.50	10.1	33.50	19.2	30.7	23.8	25.8	14.8	22.2
ONEIDA CO RURAL TEL	8.4	39.70	18.3	36.10	13.2	30.6	16.3	28.0	18.9	24.3
ONTARIO TELEPHONE	14.4	75.90	12.2	92.40	17.1	91.1	13.9	89.6	12.5	88.2
ORISKANY FALLS TEL	8.9	100.00	12.6	100.00						
PATTERSONVILLE TEL	---	67.20	13.9	66.70	17.0	62.3	14.5	59.2	18.8	55.2
PORT BYRON TELEPHONE	33.5	26.30	30.5	21.00	14.1	15.4	-	17.9	54.5	19.2
ROCHESTER TELEPHONE	6.0	56.70	8.2	62.30	13.3	59.7	17.6	65.5	16.4	63.5
SENECA-GORHAM TEL	17.9	70.10	7.7	67.90	16.3	63.9	16.6	60.2	14.3	56.5
STATE TELEPHONE CO.	19.3	100.00	23.4	100.00	27.1	98.3	26.3	95.4	19.4	9.4
SYLVAN LAKE TEL	20.8	74.60	24.4	48.00	19.7	45.4	19.9	55.6	18.1	53.7
TACONIC TELEPHONE	---	49.70	26.5	51.20	16.0	47.3	0.9	44.2	12.9	42.9
TOWNSHIP TELEPHONE	16.0	25.10	17.1	39.00	28.1	33.5	31.0	30.4	16.7	23.7
TRUMANSBURG HOME TEL	10.2	72.6	10.7	73.90	14.2	80.7	13.8	78.6	13.5	76.4
VERNON TELEPHONE	---	24.3	2.1	26.10	5.8	25.7	13.5	25.7	20.2	23.8
WARWICK VALLEY TEL	38.5	71.80	17.3	65.30	17.9	62.5	15.9	59.6	22.9	57.1

Rates of Return on Common Equity Before Extraordinary Items and Equity Ratios

	1989		1988		1987		1986		1985	
WATER COMPANIES	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITALIZATION
COUNTRY KNOLLS WATER	---	50.2	---	53.5	6.0	52.9	13.5	34.8	10.0	20.8
JAMAICA WATER	13.8	49.2	13.9	60.6	13.8	55.8	13.7	52.1	14.1	44.0
LONG ISLAND WATER	9.5	44.4	12.0	42.7	10.3	40.7	14.9	49.2	13.8	45.7
NEW ROCHELLE WATER	4.0	99.9	4.9	100.0	5.1	100.0	6.7	99.8	6.1	99.8
NEW YORK-AMERICAN	12.4	37.1	14.4	35.8	22.8	35.8	16.9	33.8	14.5	34.1
N Y WATER SERVICE	1.5	82.4	3.4	82.1	3.4	65.8	7.1	87.1	5.9	86.3
OWEGO WATER WORKS	2.2	99.9	4.7	100.0	4.8	99.9	5.4	100.0	6.9	100.0
SEA CLIFF WATER CO.	13.2	59.1	13.1	69.8	13.2	65.8	13.8	62.0	14.4	57.9
SHOREWOOD WATER CORP.	---	20.6	45.3	21.6	53.6	8.3	51.4	52.3	26.8	36.0
SPRING VALLEY WATER	11.6	40.6	12.7	42.8	14.9	45.6	16.0	43.4	16.1	40.1

PRE-TAX INTEREST COVERAGE

All Companies

PRE-TAX INTEREST COVERAGE

Pre-tax interest coverage is the number of times a company's annual income before income tax exceeds annual interest charges. The interest charges used in this calculation include interest on long-term debt, amortization of discount, expense and/or premium on debt, interest on notes payable and all other interest deductions.

Income before income taxes is used to measure interest coverage because this is a standard method used by rating agencies to evaluate credit quality.

The number of times that interest is earned is an important element in determining a company's bond rating and its cost of capital. Indenture holders normally require companies to achieve specific coverage thresholds. The typical coverage requirements contained in indentures is "two times the interest to be covered." It is customary that there be a margin of safety above the indenture requirement for assurance and for flexibility to issue new debt. Therefore, the coverage of most utilities is normally higher than two times the interest expense. As a general rule, the higher the interest coverage the better the company's bond rating and the lower the interest cost.

The number of times interest is earned is shown for each company for the years 1985 through 1989. These figures were computed on a consistent basis for all of the companies shown. Debt instruments usually specify how this figure is to be computed and these formulas contain significant variations in the computation. The figures shown should not, therefore, be regarded as being equivalent to indenture coverage.

Pre-tax Interest Coverage
Combination Companies
Straight Gas Companies

COMBINATION COMPANIES	1989	1988	1987	1986	1985
CENTRAL HUDSON GAS & ELECTRIC CORP.	2.4	2.6	1.2	3.1	3.2
CONSOLIDATED EDISON CO. OF N.Y.,INC.	4.8	5.1	5.3	6.0	6.2
LONG ISLAND LIGHTING COMPANY	(1.2)	2.0	2.0	2.2	2.8
NEW YORK STATE ELECTRIC & GAS COPP.	2.2	5.9	2.2	2.6	2.4
NIAGARA MOHAWK POWER CORP.	1.8	2.2	2.7	3.1	3.1
ORANGE & ROCKLAND UTILITIES,INC.	3.0	3.4	3.4	3.9	5.3
ROCHESTER GAS & ELECTRIC CORP.	2.5	2.5	2.8	3.0	3.1
STRAIGHT GAS COMPANIES					
BROOKLYN UNION GAS CO.,THE	3.1	3.5	3.6	3.3	4.2
COLUMBIA GAS OF N.Y.,INC	2.4	2.0	2.0	2.8	2.5
CORNING NATURAL GAS CORP.	1.9	2.5	3.7	4.9	4.7
NATIONAL FUEL GAS DISTRIBUTION CORP.	1.8	2.1	1.9	2.5	2.4
ST. LAWRENCE GAS CO.,INC.	61.4	29.1	18.6	17.1	7.7
SYRACUSE SUBURBAN GAS CO.,INC.	2.8	3.7	4.3	4.3	3.3

Pre-tax Interest Coverage
Telephone Companies

TELEPHONE COMPANIES (a)	1989	1988	1987	1986	1985
ARMSTRONG TELEPHONE CO.	6.3	1.8	3.5	4.8	3.9
ALLTEL NEW YORK,INC.	3.1	2.4	3.2	4.5	4.3
AT&T COMMUNICATIONS OF NEW YORK,INC.	7.1	5.0	9.8	8.0	7.1
AUSABLE VALLEY TELEPHONE CO.,INC.	2.8	2.0	1.8	2.1	2.7
BERKSHIRE TELEPHONE CORP.	4.7	5.7	3.2	2.1	2.5
CASSADAGA TELEPHONE CORP.	6.7	6.9	5.7	7.1	6.5
CHAMPLAIN TELEPHONE CO.,THE	3.4	3.0	2.5	4.9	7.7
CHAUTAUQUA & ERIE TELEPHONE CORP.	4.8	3.3	4.2	4.6	5.4
CHAZY & WESTPORT TELEPHONE CORP.	4.4	2.4	2.2	2.6	3.0
CITIZENS TEL.CO.OF HAMMOND,N.Y.,INC.	2.7	5.1	4.9	4.9	4.7
CLYMER TELEPHONE CO.,INC.	4.3	4.7	2.9	3.2	4.0
CONTINENTAL TELEPHONE CO.OF N.Y.,INC.	3.3	3.9	4.2	3.9	4.2
CROWN POINT TELEPHONE CORPORATION	2.6	2.1	1.5	1.2	1.7
DELHI TELEPHONE CO.	3.9	2.8	1.7	2.1	2.2
DEPOSIT TELEPHONE CO.,INC.	8.5	7.9	8.8	5.1	4.6
DUNKIRK & FREDONIA TELEPHONE CO.	1.4	2.0	2.7	5.2	5.8
EDWARDS TELEPHONE CO.,INC.	6.4	6.0	4.6	3.9	5.2
EMPIRE TELEPHONE CORP.	5.7	3.5	3.3	3.6	3.1
FISHERS ISLAND TELEPHONE CORP.,THE	-	-	20.9	-	81.1
GERMANTOWN TELEPHONE CO.,INC.	7.2	6.3	5.0	4.2	4.2

(a) 1/1/88 the system of accounts for Telephone companies changed causing comparision of prior years to be invalid.

Pre-tax Interest Coverage
Telephone Companies

TELEPHONE COMPANIES (a)	1989	1988	1987	1986	1985
HANCOCK TELEPHONE CO.,THE	2.7	2.3	2.1	2.5	3.2
HIGHLAND TELEPHONE CO.	5.5	5.0	5.4	6.0	5.7
MARGARETVILLE TELEPHONE CO.,INC.	5.4	3.0	3.6	3.8	2.8
MIDDLEBURGH TELEPHONE CO.,THE	3.8	4.2	4.0	3.4	4.7
NEWPORT TELEPHONE CO.,INC.	(0.8)	1.9	1.9	3.9	2.3
NEW YORK TELEPHONE CO.	3.6	4.6	4.8	5.2	4.5
NICHOLVILLE TELEPHONE CO.,INC.	3.9	3.5	2.9	3.5	3.3
OGDEN TELEPHONE CO.	2.6	1.9	2.6	2.4	1.8
ONEIDA COUNTY RURAL TELEPHONE CO.	4.2	6.6	3.0	3.8	3.7
ONTARIO TELEPHONE CO.,INC.	37.7	27.0	28.7	21.2	16.0
ORISKANY FALLS TELEPHONE CORP.	-	144.4	-	-	-
PATTERSONVILLE TELEPHONE CO.	13.9	13.0	13.9	10.3	11.1
PORT BYRON TELEPHONE CO.	3.3	3.0	1.5	1.7	2.5
ROCHESTER TELEPHONE CORP.	3.0	4.2	6.5	9.4	9.8
SENECA-GORHAM TELEPHONE CORP.	2.1	5.9	7.8	7.2	5.6
STATE TELEPHONE CO.	-	109.0	131.2	93.3	48.1
SYLVAN LAKE TELEPHONE CO.,ONC.	4.8	3.7	3.4	4.6	3.8
TACONIC TELEPHONE CORP.	4.3	3.6	3.0	2.4	2.4
TOWNSHIP TELEPHONE COMPANY,INC.	2.3	3.5	5.5	4.5	2.4
TRUMANSBURG HOME TELEPHONE CO.	1.8	9.3	11.4	9.3	7.4
VERNON TELEPHONE CO.,INC.	(0.9)	1.5	1.3	1.8	1.8
WARWICK VALLEY TELEPHONE CO.	12.4	5.4	5.6	4.7	6.5

(a) 1/1/88 the system of accounts for Telephone companies changed causing comparision of prior years to be invalid.

Pre-tax Interest Coverage
Water Companies

WATER COMPANIES	1989	1988	1987	1986	1985
COUNTRY KNOLLS WATER WORKS,INC.	0.5	0.9	1.3	1.5	1.2
JAMAICA WATER SUPPLY COMPANY	4.1	4.8	4.4	3.2	2.9
LONG ISLAND WATER CORP.	2.0	2.3	2.4	3.3	3.1
NEW ROCHELLE WATER CO., THE	2.2	2.5	2.9	3.8	3.4
NEW YORK-AMERICAN WATER CO.,INC.	1.9	2.4	3.2	2.9	2.6
NEW YORK WATER SERVICE CORP.	1.9	3.3	4.2	5.7	3.6
OWEGO WATER WORKS	1.9	2.7	3.3	3.6	4.5
SEA CLIFF WATER CO.	3.3	4.6	4.9	3.6	3.5
SHOREWOOD WATER CORP.	1.8	5.2	14.2	7.5	2.7
SPRING VALLEY WATER CO.,INC	3.5	3.4	3.8	4.0	3.7

COMPOSITE STATEMENTS

BALANCE SHEET

ASSET SIDE

LIABILITY SIDE

STATEMENT OF CASH FLOWS

INCOME STATEMENT

STATE OF REVENUE , AND OPERATION AND MAINTENANCE

DISTRIBUTION OF REVENUES

STATEMENT OF UTILITY PLANT

Combination Gas and Electric Companies

TABLE 1C

COMPARATIVE BALANCE SHEET
FOR THE YEARS ENDED DECEMBER 31

ITEM	1988	1987	1986	1985	1984
			ASSETS AND OTHER DEBITS		
ELECTRIC UTILITY PLANT	$ 31,308,117,045	$ 31,653,028,853	$ 32,365,590,609	$ 30,009,764,291	$ 27,565,172,641
ACCUMULATED PROVISION FOR DEPR AND AMORT	7,311,904,250	6,736,874,228	6,323,623,561	5,881,392,104	5,484,777,473
NET ELECTRIC UTILITY PLANT	23,996,212,795	24,916,154,626	26,041,967,048	24,128,372,187	22,080,395,168
GAS UTILITY PLANT	2,777,185,415	2,587,266,876	2,430,927,796	2,293,321,402	2,176,834,152
ACCUMULATED PROVISION FOR DEPR AND AMORT	735,127,461	686,710,773	640,885,101	596,565,048	546,898,720
NET GAS UTILITY PLANT	2,042,057,954	1,900,556,103	1,790,042,695	1,696,756,354	1,629,935,432
OTHER UTILITY PLANT	1,572,158,805	1,476,461,134	1,309,781,967	1,180,009,433	1,136,548,153
ACCUMULATED PROVISION FOR DEPR AND AMORT	388,553,790	371,070,741	324,304,193	295,797,804	278,220,198
NET OTHER UTILITY PLANT	1,183,605,015	1,105,390,392	985,477,774	884,211,629	858,327,955
TOTAL UTILITY PLANT	35,657,461,265	35,716,756,863	36,106,300,372	33,483,095,126	30,878,554,946
ACCUMULATED PROVISION FOR DEPR AND AMORT	8,435,585,501	7,794,655,742	7,288,812,855	6,773,754,956	6,309,896,391
NET TOTAL UTILITY PLANT	27,221,875,764	27,922,101,121	28,817,487,517	26,709,340,170	24,568,658,555
NONUTILITY PROPERTY LESS ACCUM PROVISION FOR DEPRECIATION AND AMORTIZATION	25,707,949	26,095,685	25,286,498	27,829,478	28,268,023
INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	330,904
INVESTMENT IN SUBSIDIARY COMPANIES	584,247,206	546,778,478	402,869,231	148,333,461	139,322,190
OTHER INVESTMENTS	85,233,469	85,539,799	87,769,057	307,515,972	208,054,705
SPECIAL FUNDS	3,564,268	1,868,905	3,291,657	80,315,754	50,826,153
TOTAL OTHER PROPERTY AND INVESTMENTS	698,752,892	660,282,867	519,216,443	563,994,665	426,801,975
CASH	64,959,501-	41,806,626	124,156,944	44,572,243	46,187,562
SPECIAL DEPOSITS	123,889,866	25,529,205	29,846,370	152,534,083	160,456,601
WORKING FUNDS	20,740	4,526,344	6,997,400	30,321,621	4,375,306
TEMPORARY CASH INVESTMENTS	457,535,728	683,313,007	1,141,712,304	902,955,900	843,760,903
NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	983,478,848	1,172,969,179	1,068,438,353	1,122,750,861	1,126,296,725
RECEIVABLES FROM ASSOCIATED COMPANIES	12,753,744	14,346,536	15,914,895	8,203,178	8,918,724
MATERIALS AND SUPPLIES	644,109,661	659,716,179	490,927,453	653,815,563	733,645,887
GAS STORED UNDERGROUND-CURRENT	67,232,760	73,333,771	153,516,747	63,916,183	77,209,150
LIQUEFIED NATURAL GAS IN STORAGE	7,414,399	7,806,054	8,616,687	7,923,781	7,098,694
PREPAYMENTS	222,052,752	162,545,329	128,723,974	117,380,267	107,123,960
OTHER CURRENT AND ACCRUED ASSETS	388,620,859	87,290,870	67,915,355	83,398,618	88,511,945
TOTAL CURRENT AND ACCRUED ASSETS	2,842,149,856	2,933,183,100	3,236,766,481	3,187,772,299	3,203,585,457
UNAMORTIZED DEBT EXPENSE	301,192,257	299,096,874	279,498,712	196,260,882	141,755,143
EXTRAORDINARY PROPERTY LOSSES	242,809,376	279,158,935	266,864,258	186,405,792	175,081,494
PRELIMINARY SURVEY + INVESTIGATION CHARGES	22,246,776	17,973,039	5,571,817	3,834,647	7,243,793
CLEARING ACCOUNTS	1,238,623	811,453	2,269,198	3,053,581	3,354,552
DEFERRED LOSSES FROM DISP OF UTILITY PLT	475,833	562,207	-	-	-
RESEARCH AND DEVELOPMENT	14,155,088-	8,653,889-	9,331,217-	24,003,771-	14,635,120-
ACCUMULATED DEFERRED INCOME TAXES	997,797,126	496,806,224	195,319,218	125,982,149	163,272,955
OTHER DEFERRED DEBITS	1,329,891,721	1,239,978,795	488,569,896	479,747,374	286,342,095
TOTAL DEFERRED DEBITS	2,881,496,624	2,325,733,638	1,228,761,882	971,280,654	762,414,912
TOTAL ASSETS AND OTHER DEBITS	$ 33,644,275,136	$ 33,841,300,727	$ 33,802,232,323	$ 31,432,387,788	$ 28,961,460,899

TABLE 2C

COMPARATIVE BALANCE SHEET AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 1,941,071,745	$ 2,097,186,108	$ 2,075,788,520	$ 2,124,744,323	$ 2,066,892,324
PREFERRED STOCK ISSUED	2,333,452,872	2,415,567,634	2,503,385,885	2,573,606,971	2,601,488,691
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	4,063,841,618	4,034,123,498	3,923,737,209	3,879,618,659	3,872,637,517
OTHER PAID-IN CAPITAL	581,709,629	417,373,452	417,681,951	367,517,892	367,582,871
INSTALLMENTS RECEIVED ON CAPITAL STOCK	4,711	79,884	96,259	100,886	107,481
CAPITAL STOCK EXPENSE	123,774,392-	136,420,457-	136,885,595-	136,125,283-	134,499,242-
RETAINED EARNINGS	3,977,442,555	4,356,881,989	5,144,130,212	6,422,652,258	5,804,030,268
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	224,391,732	161,836,051	132,501,340	99,441,095	86,161,792
REACQUIRED CAPITAL STOCK	-	58,430,006-	40,881,373-	25,701,240-	7,653,963-
TOTAL PROPRIETARY CAPITAL	12,998,140,470	13,288,198,153	14,019,554,408	15,305,855,561	14,656,747,739
BONDS(LESS BONDS REACQUIRED)	8,537,766,500	9,088,950,500	9,303,034,500	9,528,092,500	9,132,020,500
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
OTHER LONG-TERM DEBT	5,893,626,161	4,025,021,905	3,917,222,682	3,303,433,666	2,830,012,244
NET UNAMORTIZED PREMIUM AND DISCOUNT	37,972,198-	29,653,720-	29,658,172-	30,422,217-	9,283,272-
TOTAL LONG-TERM DEBT	14,393,420,463	13,084,318,685	13,190,599,010	12,801,103,949	11,952,749,472
NOTES PAYABLE	258,095,000	245,400,000	106,505,000	250,612,500	127,800,000
ACCOUNTS PAYABLE	855,594,513	668,228,447	558,306,782	529,697,064	681,069,882
PAYABLES TO ASSOCIATED COMPANIES	905,657	3,194,666	3,635,436	3,412,882	2,770,613
CUSTOMER DEPOSITS	162,711,525	161,991,474	168,195,602	160,644,939	147,544,649
TAXES ACCRUED	256,873,670	170,951,054	203,294,685	264,591,882	248,655,877
INTEREST ACCRUED	297,828,671	290,578,099	288,096,557	274,401,121	272,431,781
DIVIDENDS DECLARED	74,034,692	34,462,210	34,668,628	44,907,382	44,743,158
TAX COLLECTIONS PAYABLE	44,678,730	40,444,904	39,934,313	35,773,981	39,216,051
OTHER CURRENT AND ACCRUED LIABILITIES	507,466,112	491,554,562	652,721,568	590,117,633	484,872,221
TOTAL CURRENT AND ACCRUED LIABILITIES	2,458,188,570	2,106,805,416	2,055,358,571	2,154,159,384	2,049,104,232
CUSTOMER ADVANCES FOR CONSTRUCTION	22,773,15[illegible]	22,230,949	20,188,285	15,878,747	13,821,434
DEFERRED GAINS FROM DISP. OF UTILITY PLT.	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	770,312,637	793,520,388	807,595,915	876,062,223	994,073,477
OTHER DEFERRED CREDITS	2,411,952,869	1,219,041,127	949,784,028	572,553,234	453,976,667
ACCUMULATED DEFERRED INCOME TAXES:					
ACCELERATED AMORTIZATION	11,262,067	8,776,269	7,648,799	7,849,911	9,979,714
LIBERALIZED DEPRECIATION	1,910,582,474	2,171,250,653	1,944,620,253	1,699,891,769	979,569,040
OTHER	949,406,699	912,345,791	809,548,866	335,139,686	298,491,120
TOTAL DEFERRED CREDITS	6,076,289,902	5,127,165,177	4,539,386,146	3,507,375,570	2,749,911,452
PROPERTY INSURANCE RESERVE	1,507,432	8,061,918	1,459,920	1,204,766	909,036
INJURIES AND DAMAGES RESERVE	35,658,539	26,358,398	30,030,049	26,530,029	21,861,406
PENSIONS AND BENEFITS RESERVE	2,938,542	3,391,988	2,149,716	1,808,824	2,097,539
MISCELLANEOUS OPERATING RESERVES	55,471-	24,599-	2,762,907	4,194,240	993,088-
TOTAL OPERATING RESERVES	40,049,042	37,787,705	36,402,592	33,737,859	23,874,893
TOTAL LIABILITIES AND OTHER CREDITS	$ 35,966,088,447	$ 33,644,275,136	$ 33,841,300,727	$ 33,802,232,323	$ 31,432,387,788
SELECTED BALANCE SHEET RELATIONSHIPS					
CURRENT ASSETS / CURRENT LIABILITIES	1.47	1.35	1.43	1.50	1.56
PERCENT OF CAPITALIZATION:					
LONG-TERM DEBT	52.5	49.6	48.4	45.5	44.9
PREFERRED STOCK	8.5	9.1	9.2	9.1	9.7
COMMON STOCK + OTHER PAID-IN CAPITAL	24.4	24.7	23.4	22.4	23.4
RETAINED EARNINGS	14.5	16.5	18.9	22.8	21.8
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	43.8	36.6	36.9	35.4	35.6
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	27.7	23.6	21.8	20.1	20.2

TABLE 3C.

Statement of Cash Flows
For The Year Ended December 31

	1989	1988
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$973,530,250	$97,100,361
Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
Depreciation, Depletion & Amortization	1,112,140,719	909,266,511
Increase/(Decrease):		
Payables, Rec., Accrued Exp. & Inv. - Net	(49,355,888)	181,661,889
Deferred Taxes & ITCs	(851,872,520)	284,611,197
Current Income Taxes & Other Taxes Payable	91,680,973	(57,475,576)
Interest Payable	4,127,416	5,283,408
Equity In Loss (Earnings) Of Affiliates	(55,567,000)	(30,556,000)
Capitalized AFDUC - Equity Funds	(22,379,793)	(96,181,824)
Other Adjustments	871,844,150	1,264,247,417
Total Adjustments	1,100,618,057	2,460,857,022
Net Cash From Operating Activities	2,074,148,307	2,557,957,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Total Cash Outflows For Construction	($1,709,455,745)	($1,828,493,695)
Acquisition Of Other Non-current Assets	2,888,000	(13,113,000)
Payments - Acq. Of Other Debt & Equity Securities		
Investments In & Advances To Subsidiary & Assoc. Co'	(20,934,387)	(10,614,717)
Repayments Of Advances By Subsidiary & Assoc. Co's.		
Net Proceeds - Sale Or Disposition Of:		
Property, Plant & Equipment	743,000	1,905,000
Investments In Subsidiary & Assoc. Co's.		
Other Debt & Equity Investments		
Other Non-current Assets		
Other Cash Flows - Investing Activities	(2,213,771)	(114,866,655)
Net Cash From Investing Activities	(1,728,972,903)	(1,965,183,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds (Payments) - Issuing & Retiring:		
Long-term Debt	1,275,284,237	(159,055,837)
Common Stock	45,291,662	128,245,247
Preferred Stock	(35,075,687)	(103,362,713)
Short-term Debt	12,695,000	138,895,000
Dividends Paid	(1,248,009,895)	(851,542,292)
Contributions & Advances - Subsidiary & Assoc. Co's.		3,106,433
Other Cash Flows - Financing Activities	(132,246,200)	16,851,220
Net Cash From Financing Activities	(82,060,883)	(826,862,942)
Net Incr./(Decr.) In Cash & Cash Equivalents	263,114,521	(234,088,626)
Cash & Cash Equivalents At Beginning Of Year	499,557,378	733,645,004
Cash & Cash Equivalents At End Of Year	$762,671,899	$499,556,378

COMPARATIVE INCOME STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS FOR THE YEARS ENDED DECEMBER 31

TABLE 4C.

ITEM	1989	1988	1987	1986	1985
COMPARATIVE INCOME STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME:					
OPERATING REVENUES	$ 11,576,307,152	$ 10,802,780,301	$ 10,398,873,225	$ 10,217,528,088	$ 10,476,542,771
OPERATION AND MAINTENANCE EXPENSE	6,162,408,488	5,446,995,271	5,204,205,144	5,116,242,557	5,634,078,975
DEPRECIATION EXPENSE	792,579,292	720,922,327	624,941,174	602,269,840	573,518,465
AMORTIZATION	809,552,347	33,127,275	41,318,771	45,132,104	48,459,248
TAXES OTHER THAN INCOME TAXES-OPERATING	1,847,264,057	1,700,285,847	1,635,474,025	1,568,222,522	1,505,065,414
INCOME TAXES-OPERATING	238,028,578-	713,771,946	972,061,393	1,056,483,254	928,950,019
GAINS/LOSSES FROM DISP OF ELECTRIC PLANT	376,886	385,093	1,327,134	41,513-	242,885-
TOTAL OPERATING EXPENSES	9,374,152,492	8,615,487,759	8,479,327,640	8,388,308,764	8,689,829,237
NET OPERATING REVENUES	2,202,154,660	2,187,292,542	1,919,545,585	1,829,219,324	1,786,713,534
INC.- LEASED PLT. & OTHER OPER. INC.	136,997	156,948	155,689	49,223	46,583
ELECTRIC UTILITY OPERATING INCOME	2,202,291,657	2,187,449,490	1,919,701,274	1,829,268,547	1,786,760,117
GAS UTILITY OPERATING INCOME:					
OPERATING REVENUES	2,175,815,426	1,988,573,850	2,008,357,651	2,228,321,656	2,476,310,855
OPERATION AND MAINTENANCE EXPENSE	1,593,802,395	1,404,079,766	1,435,091,210	1,639,642,166	1,883,733,122
DEPRECIATION EXPENSE	79,220,317	74,156,161	69,343,610	65,972,512	70,903,141
AMORTIZATION	369,767	864,010	2,014,075	3,440,570	1,608,300
TAXES OTHER THAN INCOME TAXES-OPERATING	268,669,571	254,200,678	255,992,747	256,483,202	257,360,592
INCOME TAXES-OPERATING	45,890,151	60,061,330	67,973,942	64,977,184	76,205,034
GAINS/LOSSES FROM DISP OF GAS PLANT	143,760-	67,026-	73,119-	73,119-	-
TOTAL OPERATING EXPENSES	1,987,808,441	1,793,294,919	1,830,342,464	2,030,442,515	2,289,810,187
NET OPERATING REVENUES	188,006,985	195,278,931	178,015,187	197,879,141	186,500,668
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-
GAS UTILITY OPERATING INCOME	188,006,985	195,278,931	178,015,187	197,879,141	186,500,668
OTHER UTILITY OPERATING INCOME	17,398,497	21,373,483	25,023,207	23,319,678	18,471,386
TOTAL UTILITY OPERATING INCOME	2,407,697,139	2,404,101,904	2,122,739,668	2,050,467,366	1,991,732,171
OTHER INCOME:					
MERCH., JOBBING & CONTRACT WORK	339,345-	186,212-	81,505	53,160-	46,837-
INCOME FROM NONUTILITY OPERATIONS	5,192-	-	-	-	-
NONOPERATING RENTAL INCOME	423,164	621,086	590,965	525,238	297,911
EQUITY IN EARNINGS OF SUBSIDIARY COS.	63,551,461	35,444,228	33,569,548	14,281,721	15,666,965
INTEREST AND DIVIDEND INCOME	72,454,764	48,689,996	63,153,168	84,743,000	106,232,321
ALLOWANCE FOR CONSTRUCTION FUNDS	146,663,758	202,142,287	357,222,788	625,025,046	779,389,288
MISCELLANEOUS NONOPERATING INCOME	36,149,542	27,284,178	12,321,346	7,702,940	808,514
GAIN ON DISPOSITION OF PROPERTY	1,103,657	548,408	1,510,388	1,993,835	1,195,805
TOTAL OTHER INCOME	320,001,819	314,543,971	468,449,708	734,218,620	903,543,967
TOTAL INCOME	2,727,698,958	2,718,645,875	2,591,189,376	2,784,685,986	2,895,276,138
INCOME DEDUCTIONS:					
TAXES OTHER THAN INC. TAXES-NONOPERATING	4,288,000	111,359-	1,889,174	2,739,992	2,906,104
INCOME TAXES-NONOPERATING	341,113,138-	112,007,878-	167,906,854-	160,695,936-	139,589,657-
LOSS ON DISPOSITION OF PROPERTY	866,731	115,633	65,511,093	578,903	8,412,514
MISCELLANEOUS AMORTIZATION	1,425,064	1,506,434	1,364,288	699,791	712,316
MISCELLANEOUS INCOME DEDUCTIONS	743,344,536	134,525,432	63,735,245	28,535,652	7,965,835
TOTAL INCOME DEDUCTIONS	408,811,193	24,028,262	35,407,054-	128,141,598-	119,592,888-
INCOME BEFORE INTEREST CHARGES	2,318,887,755	2,694,617,613	2,626,596,430	2,912,827,584	3,014,869,026
INTEREST CHARGES:					
INTEREST ON LONG-TERM DEBT	1,242,537,173	1,176,757,342	1,187,195,346	1,143,473,602	1,035,466,681
AMORT OF DEBT DISCOUNT AND EXPENSE	39,147,667	30,608,356	29,274,595	20,447,920	21,045,993
AMORT OF PREMIUM ON DEBT-CREDIT	698,227-	728,246-	789,566-	832,003-	870,001-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	161,995	-	-	-
OTHER INTEREST EXPENSE	68,752,947	51,698,542	37,120,280	49,909,291	43,445,777
TOTAL INTEREST CHARGES	1,349,739,560	1,258,497,989	1,252,800,655	1,212,998,810	1,099,088,450
INCOME BEFORE EXTRAORDINARY ITEMS	969,148,195	1,436,119,624	1,373,795,775	1,699,828,774	1,915,780,576
EXTRAORDINARY ITEMS - NET	4,381,078	1,339,019,483-	1,526,497,139-	-	-
NET INCOME	$ 973,529,273	$ 97,100,141	$ 152,701,364-	$ 1,699,828,774	$ 1,915,780,576
DIVIDENDS DECLARED-PREFERRED STOCK	$ 540,751,021	$ 192,738,762	$ 198,714,124	$ 209,737,407	$ 226,799,197
-COMMON STOCK	746,925,536	734,191,551	818,608,628	855,859,715	803,370,096
SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	82.4	82.6	81.9	80.3	78.8
ELECTRIC OPERATING INCOME	19.0	20.2	18.4	17.9	17.0
GAS OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	15.5	15.2	15.8	17.5	18.6
GAS OPERATING INCOME	8.6	9.8	8.8	8.8	7.5
NET INCOME-PERCENT OF OPERATING REVENUES	6.9	0.7	1.1-	13.3	14.4
PRETAX COVERAGE OF INTEREST CHARGES	1.3	3.3	2.8	3.2	3.4
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	172.5	-	-	57.4	47.5
RETURN ON COMMON EQUITY	4.0	-	-	12.0	14.6

TABLE 5C

COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

ITEM	1989	1988	1987	1986	1985
ELECTRIC OPERATING REVENUES					
REVENUES:					
RESIDENTIAL	$ 4,074,422,025	$ 3,858,394,039	$ 3,655,554,661	$ 3,509,933,077	$ 3,504,067,277
COMMERCIAL AND INDUSTRIAL	6,167,686,223	5,817,287,854	5,633,935,258	5,611,055,657	5,675,506,987
PUBLIC STREET AND HIGHWAY LIGHTING	90,170,869	89,022,973	88,335,290	88,442,322	88,035,211
OTHER PUBLIC AUTHORITIES	232,645,949	222,206,959	216,337,247	212,630,375	206,575,994
RAILROADS AND RAILWAYS	2,713,471	6,587,387	6,623,455	5,647,906	6,993,059
INTERDEPARTMENTAL	2,132,505	2,168,367	2,146,014	2,073,599	2,066,045
TOTAL REVENUES - ULTIMATE CONSUMERS	10,569,771,042	9,995,667,579	9,602,931,925	9,429,782,936	9,483,244,573
RESALE	527,927,063	392,734,562	418,950,501	360,885,893	663,875,971
TOTAL REVENUES FROM ELECTRIC SALES	11,097,698,105	10,388,402,141	10,021,882,426	9,790,568,829	10,147,120,544
OTHER ELECTRIC OPERATING REVENUES	478,609,047	414,378,160	376,990,799	426,559,259	329,422,228
TOTAL ELECTRIC OPERATING REVENUES	$ 11,576,307,152	$ 10,802,780,301	$ 10,398,873,225	$ 10,217,528,088	$ 10,476,542,772
KILOWATT-HOUR SALES (THOUSANDS)					
RESIDENTIAL	36,303,984	35,945,564	33,868,765	32,388,539	31,424,464
COMMERCIAL AND INDUSTRIAL	71,585,114	69,638,869	65,568,655	63,329,189	61,562,404
PUBLIC STREET AND HIGHWAY LIGHTING	587,784	605,862	600,621	600,476	606,331
OTHER PUBLIC AUTHORITIES	2,894,508	2,800,848	2,681,891	2,601,833	2,588,771
RAILROADS AND RAILWAYS	35,226	69,999	67,576	52,826	56,478
INTERDEPARTMENTAL	34,630	34,467	33,961	30,440	33,792
TOTAL SALES TO ULTIMATE CONSUMERS	111,441,247	109,095,608	102,821,467	99,003,302	96,272,241
SALES: NY POWER ATH CUSTOMERS	8,743	8,069,736	7,811,645	7,496,589	7,097,733
MUNICIPAL DIST AGENCY SALES	120	806,448	1,355,146	1,225,376	407,726
TOTAL SALES - FRANCHISE AREA	111,450,110	117,971,793	111,988,258	107,725,266	103,777,700
RESALE	12,462,079	12,008,146	13,628,226	11,968,583	17,120,055
TOTAL KILOWATT-HOUR SALES	123,912,188	129,979,939	125,616,484	119,693,849	120,897,755
CUSTOMERS-AVERAGE PER MONTH:					
RESIDENTIAL	6,064,607	6,001,847	5,932,790	5,864,252	5,801,446
COMMERCIAL AND INDUSTRIAL	800,713	781,055	761,378	738,824	719,534
PUBLIC STREET AND HIGHWAY LIGHTING	9,784	9,243	9,103	8,961	9,409
OTHER PUBLIC AUTHORITIES	15,704	15,422	15,548	15,251	14,763
RAILROADS AND RAILWAYS	4	4	4	4	4
INTERDEPARTMENTAL	2	4	4	4	4
TOTAL ULTIMATE CONSUMERS	6,890,814	6,807,575	6,718,827	6,627,295	6,545,160
RESALE	189	182	187	184	185
TOTAL CUSTOMERS	6,891,003	6,807,757	6,719,014	6,627,479	6,545,345
OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES:					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 671.84	$ 642.87	$ 616.16	$ 598.53	$ 604.00
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,986	5,989	5,709	5,523	5,417
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.22	10.73	10.79	10.84	11.15
COMMERCIAL AND INDUSTRIAL SALES:					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,702.74	$ 7,447.99	$ 7,399.66	$ 7,594.58	$ 7,887.75
AVERAGE KWH CONSUMPTION PER CUSTOMER	89,402	89,160	86,118	85,716	85,559
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.62	8.35	8.59	8.86	9.22
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES:					
STEAM POWER					
FUEL	$ 2,083,668,426	$ 1,792,304,813	$ 1,771,353,818	$ 1,636,213,935	$ 2,257,648,148
OTHER	476,840,214	497,992,440	464,481,023	435,095,243	407,620,366
TOTAL STEAM POWER EXPENSES	2,560,508,640	2,290,297,253	2,235,834,841	2,071,309,178	2,665,268,514
NUCLEAR POWER					
FUEL	80,798,282	97,327,136	68,467,288	66,229,956	106,642,810
OTHER	406,641,203	244,452,584	164,195,940	146,096,804	108,027,192
TOTAL NUCLEAR POWER EXPENSES	487,439,485	341,779,720	232,663,228	212,326,760	214,670,002
HYDRAULIC POWER					
WATER FOR POWER	2,978,507	5,365,007	4,654,525	4,639,967	2,930,901
OTHER	15,910,315	13,573,247	12,325,159	15,128,968	15,336,907
TOTAL HYDRAULIC POWER EXPENSES	18,888,822	18,938,254	16,979,684	19,768,935	18,267,808
OTHER POWER GENERATION					
FUEL	121,901,359	63,367,314	43,657,018	41,092,906	33,059,629
OTHER	40,409,456	41,813,973	40,918,460	38,710,774	34,577,372
TOTAL OTHER POWER GENERATION EXPENSE	162,310,815	105,181,287	84,575,478	79,803,680	67,637,001
OTHER POWER SUPPLY EXPENSES					
PURCHASED POWER	961,848,062	854,414,288	913,437,061	1,045,968,352	1,103,428,526
OTHER	23,094,194	28,160,302	26,854,975	21,523,506	19,101,581
TOTAL OTHER POWER SUPPLY EXPENSES	984,942,256	882,574,590	940,292,036	1,067,491,858	1,122,530,107
TOTAL POWER PRODUCTION EXPENSES	4,214,090,019	3,638,771,104	3,510,345,267	3,450,700,411	4,088,373,432
TRANSMISSION EXPENSES	213,554,469	194,410,591	179,395,971	170,038,810	162,973,709
DISTRIBUTION EXPENSES	542,859,164	517,732,697	493,784,902	465,895,217	436,532,011
CUSTOMER ACCOUNTS EXPENSES	290,666,151	261,359,546	253,699,738	254,340,492	250,832,209
SALES EXPENSES	95,919,621	73,753,001	51,642,135	42,817,027	30,057,250
ADMINISTRATIVE AND GENERAL	805,319,064	760,968,332	715,337,129	732,450,595	665,310,359
TOTAL O & M EXPENSES	$ 6,162,408,488	$ 5,446,995,271	$ 5,204,205,144	$ 5,116,242,557	$ 5,634,078,975

TABLE 6C

COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
GAS OPERATING REVENUES					
REVENUES:					
RESIDENTIAL	$ 1,357,843,846	$ 1,227,051,555	$ 1,199,366,605	$ 1,310,910,547	$ 1,270,798,753
COMMERCIAL AND INDUSTRIAL	680,371,182	623,763,275	656,406,314	803,190,260	991,173,897
OTHER SALES TO PUBLIC AUTHORITIES	59,228,659	54,583,011	54,223,901	65,421,437	72,985,045
INTERDEPARTMENTAL	9,450,328	18,637,794	37,457,662	7,537,590	83,856,648
TOTAL REVENUES - ULTIMATE CONSUMERS	2,106,894,015	1,924,035,635	1,947,454,482	2,187,059,834	2,418,814,343
RESALE	12,003,715	11,833,396	15,950,433	16,970,788	21,623,995
TOTAL REVENUES FROM SALES OF GAS	2,118,897,730	1,935,869,031	1,963,404,915	2,204,030,622	2,440,438,338
OTHER GAS OPERATING REVENUES	56,917,696	52,704,819	44,952,735	24,291,034	35,872,517
TOTAL GAS OPERATING REVENUES	2,175,815,426	1,988,573,850	2,008,357,651	2,228,321,656	2,476,310,855
GAS SALES(MCF):					
RESIDENTIAL	194,211,269	190,594,556	178,615,439	180,202,784	172,006,995
COMMERCIAL AND INDUSTRIAL	117,243,772	119,201,261	123,538,107	143,605,193	173,975,353
OTHER SALES TO PUBLIC AUTHORITIES	11,373,382	11,686,124	10,929,038	12,043,910	12,371,171
INTERDEPARTMENTAL	3,520,774	6,334,696	12,014,494	1,384,877	19,552,316
TOTAL SALES TO ULTIMATE CONSUMERS	326,349,198	327,816,638	325,097,080	337,236,767	377,905,836
RESALE	2,797,522	2,894,794	5,307,833	4,337,637	5,379,936
TOTAL GAS SALES	329,146,720	330,711,432	330,404,913	341,574,404	383,285,772
CUSTOMERS-AVERAGE PER MONTH:					
RESIDENTIAL	2,240,495	2,221,114	2,201,357	2,184,832	2,172,952
COMMERCIAL AND INDUSTRIAL	219,930	213,953	207,845	202,280	196,735
OTHER SALES TO PUBLIC AUTHORITIES	4,367	4,177	4,116	3,976	3,856
INTERDEPARTMENTAL	3	4	4	3	2
TOTAL ULTIMATE CONSUMERS	2,464,797	2,439,248	2,413,322	2,391,090	2,373,545
RESALE	5	5	5	5	5
TOTAL CUSTOMERS	2,464,802	2,439,253	2,413,327	2,391,095	2,373,550
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 606.05	$ 552.45	$ 544.83	$ 600.01	$ 584.83
AVERAGE MCF CONSUMPTION PER CUSTOMER	86.7	85.8	81.1	82.5	79.2
AVERAGE REVENUE PER MCF SOLD	$ 6.99	$ 6.44	$ 6.71	$ 7.27	$ 7.39
COMMERCIAL AND INDUSTRIAL SALES:					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,093.58	$ 2,915.42	$ 3,158.15	$ 3,970.69	$ 5,038.12
AVERAGE MCF CONSUMPTION PER CUSTOMER	533.1	557.1	594.4	709.9	884.3
AVERAGE REVENUE PER MCF SOLD	$ 5.80	$ 5.23	$ 5.31	$ 5.59	$ 5.70
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES:					
MANUFACTURED GAS					
STEAM	$ 76,506	$ 79,014	$ 148,454	$ 81,472	$ 144,399
MANUFACTURED GAS	1,712,459	1,837,644	1,688,106	1,666,393	1,735,230
NATURAL GAS					
PRODUCTION AND GATHERING	8,214	24,355	56,800	42,535	48,045
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,438,352,324	1,210,802,606	1,341,087,930	1,447,110,374	1,897,761,439
OTHER	303,904,630-	238,193,148-	325,565,078-	212,538,070-	387,355,648-
TOTAL PRODUCTION EXPENSES	1,136,244,871	974,550,471	1,017,416,212	1,236,362,704	1,512,333,465
NATURAL GAS STORAGE EXPENSES:					
UNDERGROUND STORAGE EXPENSES	1,467,908	1,722,861	1,431,151	1,519,321	1,763,251
OTHER STORAGE EXPENSES	5,218,106	5,126,222	4,994,924	4,917,512	4,713,287
TOTAL NATURAL GAS STORAGE EXPENSES	6,686,014	6,849,083	6,426,075	6,436,833	6,476,538
TRANSMISSION EXPENSES	10,626,532	10,836,804	11,243,618	11,477,424	13,091,199
DISTRIBUTION EXPENSES	205,580,896	189,483,531	184,758,704	176,490,403	168,140,524
CUSTOMER ACCOUNTS EXPENSES	72,988,133	68,233,196	67,256,330	67,536,660	66,950,759
SALES EXPENSES	18,044,582	17,025,727	14,098,023	12,219,107	10,484,161
ADM. & GENERAL EXPENSES	143,631,368	137,100,954	133,892,248	129,119,035	106,256,470
TOTAL GAS O & M EXPENSES	$ 1,593,802,395	$ 1,404,079,766	$ 1,435,091,210	$ 1,639,642,166	$ 1,883,733,122

THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES. SEE TABLE 5G. FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES.

TABLE 7C

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
REVENUES - ULTIMATE CONSUMERS***	$ 10,856,797,022	$ 10,172,340,966	$ 9,683,235,848	$ 9,564,425,082	$ 9,604,780,184
SALES-ULTIMATE CONSUMERS (000 KWH)***	111,441,202	109,095,444	102,441,492	98,628,175	96,272,241
DOLLAR AMOUNTS					
FUEL AND PURCHASED POWER	$ 2,953,751,523	$ 2,545,519,174	$ 2,468,001,278	$ 2,504,814,368	$ 2,967,417,349
WAGES AND BENEFITS	1,505,972,377	1,383,481,920	1,288,905,714	1,279,089,177	1,240,460,059
OTHER OPERATION AND MAINTENANCE EXPENSES	1,317,648,822	1,154,205,238	996,485,504	930,627,174	803,601,575
DEPRECIATION AND AMORTIZATION EXPENSES	1,583,930,331	733,848,664	642,107,666	624,625,798	606,066,050
INCOME TAXES - OPERATING	251,892,492-	694,597,710	943,075,770	1,021,412,546	905,013,627
OTHER TAXES - OPERATING	1,793,190,501	1,634,892,629	1,554,529,858	1,490,887,693	1,450,361,055
*INTEREST CHARGES **	588,489,561	898,697,938	903,828,036	795,215,618	658,658,858
*PREFERRED DIVIDENDS **	268,870,521	164,324,115	135,132,779	112,454,233	125,384,230
EARNINGS AVAILABLE FOR COMMON EQUITY	1,096,835,877	962,773,575	751,169,245	805,298,476	847,817,377
TOTAL	$ 10,856,797,022	$ 10,172,340,966	$ 9,683,235,848	$ 9,564,425,082	$ 9,604,780,184
PERCENT OF REVENUES - ULTIMATE CONSUMERS					
FUEL AND PURCHASED POWER	27.2	25.0	25.5	26.2	30.9
WAGES AND BENEFITS	13.9	13.6	13.3	13.4	12.9
OTHER OPERATION AND MAINTENANCE EXPENSES	12.1	11.3	10.3	9.7	8.4
DEPRECIATION AND AMORTIZATION EXPENSES	14.6	7.2	6.6	6.5	6.3
INCOME TAXES - OPERATING	2.2-	6.8	9.7	10.7	9.4
OTHER TAXES - OPERATING	16.5	16.1	16.1	15.6	15.1
*INTEREST CHARGES **	5.4	8.8	9.3	8.3	6.9
*PREFERRED DIVIDENDS **	2.5	1.6	1.4	1.2	1.3
EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	9.5	7.8	8.4	8.8
TOTAL	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
FUEL AND PURCHASED POWER	2.65	2.33	2.40	2.54	3.08
WAGES AND BENEFITS	1.35	1.27	1.26	1.30	1.29
OTHER OPERATION AND MAINTENANCE EXPENSES	1.18	1.06	0.97	0.94	0.83
DEPRECIATION AND AMORTIZATION EXPENSES	1.42	0.67	0.63	0.63	0.63
INCOME TAXES - OPERATING	0.22-	0.64	0.92	1.04	0.94
OTHER TAXES - OPERATING	1.61	1.50	1.52	1.51	1.51
*INTEREST CHARGES **	0.53	0.82	0.88	0.81	0.68
*PREFERRED DIVIDENDS **	0.24	0.15	0.13	0.11	0.13
EARNINGS AVAILABLE FOR COMMON EQUITY	0.98	0.88	0.73	0.82	0.88
TOTAL	9.74	9.32	9.45	9.70	9.98
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS.	89.22	91.34	92.13	92.90	92.73

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

TABLE 8C

DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
REVENUES	$ 2,175,815,426	$ 1,988,573,850	$ 2,008,357,651	$ 2,228,321,656	$ 2,476,310,855
SALES (MCF)	329,146,720	330,711,432	330,404,913	341,574,404	383,285,772
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,134,447,694	$ 972,609,458	$ 1,015,522,852	$ 1,234,572,304	$ 1,510,405,791
WAGES AND BENEFITS	285,267,824	276,002,991	270,623,111	254,301,811	242,451,402
OTHER OPERATION AND MAINTENANCE EXPENSES	173,943,117	155,400,291	148,872,128	150,694,932	130,875,929
DEPRECIATION AND AMORTIZATION EXPENSES	79,590,084	75,020,171	71,357,685	69,413,082	72,511,441
INCOME TAXES - OPERATING	45,890,151	60,061,330	67,973,942	64,977,184	76,205,034
OTHER TAXES - OPERATING	268,669,571	254,200,678	255,992,747	256,483,202	257,360,592
*INTEREST CHARGES **	148,054,801	80,311,089	73,296,460	76,952,647	76,014,272
*PREFERRED DIVIDENDS **	70,376,037	14,173,617	13,074,031	12,603,665	13,571,923
EARNINGS AVAILABLE FOR COMMON EQUITY	30,423,848-	100,794,225	91,644,698	108,322,829	96,914,472
TOTAL	$ 2,175,815,426	$ 1,988,573,850	$ 2,008,357,651	$ 2,228,321,656	$ 2,476,310,855
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	52.1	48.9	50.6	55.4	61.0
WAGES AND BENEFITS	13.1	13.9	13.5	11.4	9.8
OTHER OPERATION AND MAINTENANCE EXPENSES	8.0	7.8	7.4	6.8	5.3
DEPRECIATION AND AMORTIZATION EXPENSES	3.7	3.8	3.6	3.1	2.9
INCOME TAXES - OPERATING	2.1	3.0	3.4	2.9	3.1
OTHER TAXES - OPERATING	12.3	12.8	12.7	11.5	10.4
*INTEREST CHARGES **	6.8	4.0	3.6	3.5	3.1
*PREFERRED DIVIDENDS **	3.2	0.7	0.7	0.6	0.5
EARNINGS AVAILABLE FOR COMMON EQUITY	1.3-	5.1	4.6	4.9	3.9
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.45	$ 2.94	$ 3.07	$ 3.61	$ 3.94
WAGES AND BENEFITS	0.87	0.83	0.82	0.74	0.63
OTHER OPERATION AND MAINTENANCE EXPENSES	0.53	0.47	0.45	0.44	0.34
DEPRECIATION AND AMORTIZATION EXPENSES	0.24	0.23	0.22	0.20	0.19
INCOME TAXES - OPERATING	0.14	0.18	0.21	0.19	0.20
OTHER TAXES - OPERATING	0.82	0.77	0.77	0.75	0.67
*INTEREST CHARGES **	0.45	0.24	0.22	0.23	0.20
*PREFERRED DIVIDENDS **	0.21	0.04	0.04	0.04	0.04
EARNINGS AVAILABLE FOR COMMON EQUITY	0.08-	0.30	0.28	0.32	0.25
TOTAL	$ 6.61	$ 6.01	$ 6.08	$ 6.52	$ 6.46
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	9.48	7.77	7.03	6.39	6.52

** NET OF AFC.

TABLE 9C

COMPARATIVE STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
ELECTRIC UTILITY PLANT*					
ELECTRIC PLANT IN SERVICE:					
INTANGIBLE PLANT	$ 1,698,834	$ 1,615,034	$ 1,615,034	$ 7,996,609	$ 1,615,034
PRODUCTION PLANT					
STEAM	6,236,835,752	6,093,792,693	5,925,713,779	5,600,666,398	5,521,553,910
NUCLEAR	5,641,834,956	4,870,156,891	1,419,764,892	1,386,329,262	1,220,781,958
HYDRAULIC	443,326,147	416,738,845	406,066,195	384,341,744	361,613,477
OTHER	476,128,373	394,609,127	381,595,289	393,796,398	311,413,581
TRANSMISSION PLANT	3,814,590,716	3,760,041,467	3,596,075,742	3,422,356,787	3,338,549,353
DISTRIBUTION PLANT	9,465,080,698	8,927,143,500	8,452,655,066	8,075,839,737	7,704,140,429
GENERAL PLANT	96,993,613	764,444,556	277,735,224	238,085,798	211,248,239
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
NUCLEAR FUEL ASSEMBLIES	1,062,838,336	1,171,249,441	1,064,663,807	1,071,693,929	1,042,653,152
TOTAL ELECTRIC PLANT IN SERVICE	27,239,327,425	26,399,791,554	21,525,885,028	20,581,106,662	19,713,569,133
PLANT LEASED TO OTHERS	2,049,293	1,745,618	1,804,085	2,434,726	1,108,341
PLANT HELD FOR FUTURE USE	52,478,784	54,864,098	39,876,903	43,201,952	37,640,686
CONSTRUCTION WORK IN PROGRESS	787,464,093	4,849,679,898	10,083,348,624	11,736,654,750	10,255,175,305
PLANT ACQUISITION ADJUSTMENTS	1,957,606	2,035,911	2,114,215	2,192,519	2,270,824
TOTAL ELECTRIC UTILITY PLANT	28,083,277,205	31,308,117,045	31,653,028,853	32,365,590,609	30,009,764,291
ACCUM. PROVISION - DEPR. & AMORT.	7,896,381,062	7,311,904,250	6,736,874,228	6,323,623,561	5,881,392,104
NET ELECTRIC UTILITY PLANT	20,186,896,143	23,996,212,795	24,916,154,626	26,041,967,048	24,128,372,187
PLANT IN SERVICE:					
BEGINNING OF YEAR	26,399,791,519	21,555,157,430	20,455,876,663	19,713,569,110	18,890,321,438
ADDITIONS	1,192,093,443	5,058,026,190	1,246,445,379	1,047,879,593	1,108,248,726
RETIREMENTS	182,900,390	157,541,192	190,057,792	145,032,747	193,439,904
TRANSFERS AND ADJUSTMENTS	169,657,147-	55,850,904-	13,620,778	160,539,293-	91,561,125-
END OF YEAR	$ 27,239,327,429	$ 26,399,791,520	$ 21,525,885,027	$ 20,455,876,662	$ 19,713,569,135
GAS UTILITY PLANT*					
GAS PLANT IN SERVICE:					
INTANGIBLE PLANT	$ 405,488	$ 355,132	$ 323,450	$ 65,772	$ 65,772
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	18,563,795	17,264,780	16,629,679	16,496,284	14,783,551
NATURAL GAS PLANT	5,175,230	5,295,231	5,467,864	5,958,079	6,333,025
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	54,534,401	53,534,683	50,058,836	49,593,539	48,181,582
TRANSMISSION PLANT	88,095,665	87,608,047	87,557,945	87,797,112	84,591,521
DISTRIBUTION PLANT	2,689,900,201	2,501,474,468	2,331,754,120	2,187,353,320	2,069,400,107
GENERAL PLANT	30,020,642	28,873,182	27,316,912	26,042,627	23,994,732
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS PLANT STORED UNDERGROUND-NONCURRENT	1,993,381	1,993,381	1,993,381	1,993,381	1,993,381
TOTAL GAS PLANT IN SERVICE	2,888,688,803	2,696,398,904	2,521,102,187	2,375,300,114	2,249,343,671
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	47,253	47,253	47,253	47,252	47,252
CONSTRUCTION WORK IN PROGRESS	96,425,479	80,739,265	66,117,437	55,580,431	43,930,480
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	2,985,161,535	2,777,185,415	2,587,266,876	2,430,927,796	2,293,321,402
ACCUM. PROVISION - DEPR. & AMORT.	785,773,237	735,127,461	686,710,773	640,885,101	596,565,048
NET GAS UTILITY PLANT	2,199,388,298	2,042,057,954	1,900,556,103	1,790,042,695	1,696,756,354
PLANT IN SERVICE:					
BEGINNING OF YEAR	2,696,398,898	2,521,102,188	2,375,300,114	2,249,343,671	2,135,382,969
ADDITIONS	206,557,509	187,983,881	157,743,472	138,208,195	126,475,279
RETIREMENTS	14,026,178	12,494,140	10,923,014	12,057,857	11,712,484
TRANSFERS AND ADJUSTMENTS	241,426-	193,025-	1,018,385-	193,895-	802,093-
END OF YEAR	$ 2,888,688,803	$ 2,696,398,897	$ 2,521,102,186	$ 2,375,300,113	$ 2,249,343,670

THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 1G FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES.

*EXCLUDES ALLOCATION OF COMMON PLANT.

Straight Gas Companies

TABLE 1G

COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
ASSETS AND OTHER DEBITS					
GAS UTILITY PLANT	$ 2,009,131,397	$ 1,916,448,700	$ 1,770,462,839	$ 1,649,977,657	$ 1,545,583,874
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	449,325,409	460,784,157	426,637,039	394,247,267	365,883,311
NET GAS UTILITY PLANT	1,559,805,988	1,455,664,543	1,343,825,800	1,255,730,390	1,179,700,563
OTHER UTILITY PLANT	-	-	-	-	-
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
NET OTHER UTILITY PLANT	-	-	-	-	-
TOTAL UTILITY PLANT	2,009,131,397	1,916,448,700	1,770,462,839	1,649,977,657	1,545,583,874
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	449,325,409	460,784,157	426,637,039	394,247,267	365,883,311
NET TOTAL UTILITY PLANT	1,559,805,988	1,455,664,543	1,343,825,800	1,255,730,390	1,179,700,563
NONUTILITY PROPERTY LESS ACCUMULATED PROV. FOR DEPRECIATION AND AMORTIZATION	3,512,199	1,770,135	1,666,261	1,599,737	1,495,115
INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	74,004,675	43,637,519	33,383,100	23,642,606	35,747,423
OTHER INVESTMENTS	638,854	123,282	378,548	2,696,227	998,326
SPECIAL FUNDS	2,190,686	781,259	757,032	366,353	425
TOTAL OTHER PROPERTY AND INVESTMENTS	80,346,414	46,312,195	36,184,941	28,304,923	38,241,289
CASH	17,566,748	10,783,704	10,195,808	16,596,635	15,359,561
SPECIAL DEPOSITS	33,989,400	6,368,251	4,365,296	4,108,100	3,887,801
WORKING FUNDS	898,512	851,912	737,722	721,343	666,711
TEMPORARY CASH INVESTMENTS	79,950,000	47,997,641	61,576,081	34,740,782	25,203,606
NOTES AND ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	161,006,294	132,939,338	83,399,611	93,841,044	104,465,477
RECEIVABLES FROM ASSOCIATED COMPANIES	16,571,967	7,403,819	7,368,789	2,366,082	1,661,675
MATERIALS AND SUPPLIES	12,573,973	30,653,555	27,831,501	27,362,400	23,264,220
GAS STORED UNDERGROUND-CURRENT	52,906,069	7,738,976	8,186,141	9,113,468	3,936,873
LIQUEFIED NATURAL GAS IN STORAGE	5,065,797	5,981,393	6,255,645	6,199,023	6,191,923
PREPAYMENTS	34,428,065	73,166,522	87,954,901	87,235,208	110,582,139
OTHER CURRENT AND ACCRUED ASSETS	177,500,096	140,769,047	128,051,505	129,744,306	142,206,569
TOTAL CURRENT AND ACCRUED ASSETS	592,456,921	464,654,158	425,923,000	412,028,391	437,426,555
UNAMORTIZED DEBT EXPENSE	9,852,011	11,164,096	11,213,052	11,708,844	7,724,906
EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
PRELIMINARY SURVEY + INVESTIGATION CHARGES	3,987,472	1,960,146	1,999,660	1,833,163	330,235
CLEARING ACCOUNTS	1,664,939	2,134,969	1,224,085	513,354	822,596
DEFERRED LOSSES FROM DISP. OF UTILITY PLT.	-	-	-	-	-
RESEARCH AND DEVELOPMENT	1,605,166	1,295,696	19,579	1,664,344-	1,446,931-
ACCUMULATED DEFERRED INCOME TAXES	16,762,911	12,118,249	5,973,283	2,439,981	1,992,979
OTHER DEFERRED DEBITS	127,239,084	94,889,721	52,066,681	60,557,112	60,669,193
TOTAL DEFERRED DEBITS	161,111,583	123,562,877	72,496,340	75,388,110	70,092,978
TOTAL ASSETS AND OTHER DEBITS	$ 2,393,720,906	$ 2,090,193,773	$ 1,878,430,081	$ 1,771,451,814	$ 1,725,461,385
GAS UTILITY PLANT					
INTANGIBLE PLANT	$ 427,547	$ 386,936	$ 389,112	$ 383,667	$ 375,432
PRODUCTION PLANT:					
MANUFACTURED GAS PLANT	2,204,323	56,457,918	56,255,778	56,246,943	55,513,052
NATURAL GAS PLANT	20,080,340	20,208,886	20,179,090	20,578,459	20,746,025
NATURAL GAS STORAGE PLANT:					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	64,404,693	60,277,348	59,767,133	58,811,837	53,033,207
TRANSMISSION PLANT	34,689,016	33,131,859	29,924,167	27,921,917	28,586,440
DISTRIBUTION PLANT	1,693,462,071	1,568,348,204	1,447,150,085	1,354,448,428	1,267,072,334
GENERAL PLANT	153,137,164	146,334,290	125,162,436	110,737,402	101,598,985
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS STORED UNDERGROUND-NONCURRENT	857,650	857,650	857,650	857,650	857,650
TOTAL GAS PLANT IN SERVICE	1,969,262,804	1,886,003,090	1,739,685,451	1,629,986,303	1,527,783,125
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	300,835	299,137	306,070	306,070	334,730
CONSTRUCTION WORK IN PROGRESS	39,567,759	30,146,471	30,471,317	19,685,283	17,466,020
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	2,009,131,397	1,916,448,700	1,770,462,839	1,649,977,657	1,545,583,874
ACCUM. PROV. FOR DEPRECIATION & AMORT.	449,325,409	460,784,157	426,637,039	394,247,267	365,883,311
NET GAS UTILITY PLANT	$ 1,559,805,988	$ 1,455,664,543	$ 1,343,825,800	$ 1,255,730,390	$ 1,179,700,563
PLANT IN SERVICE:					
BEGINNING OF YEAR	$ 1,886,003,091	$ 1,739,685,451	$ 1,629,986,303	$ 1,527,783,125	$ 1,417,404,711
ADDITIONS	131,479,955	152,488,590	116,023,888	106,637,458	116,553,790
RETIREMENTS	65,456,637	17,942,160	17,061,764	14,377,594	10,804,166
TRANSFERS AND ADJUSTMENTS	17,236,395	11,771,209	10,737,024	9,943,314	4,628,790
END OF YEAR	$ 1,969,262,803	$ 1,886,003,092	$ 1,739,685,452	$ 1,629,986,304	$ 1,527,783,124

THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLES 1 & 9 FOR GAS DATA ON COMBINATION COMPANIES

TABLE 2G.

COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

LIABILITIES AND OTHER CREDITS

ITEM	1989	1988	1987	1986	1985
COMMON STOCK ISSUED	$ 86,447,225	$ 85,257,206	$ 81,042,799	$ 80,681,978	$ 80,323,391
PREFERRED STOCK ISSUED	50,884,225	52,484,225	54,084,225	55,684,225	77,284,225
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	193,127,820	175,751,623	159,193,787	142,061,410	125,213,962
OTHER PAID-IN CAPITAL	74,814,029	65,676,918	65,775,533	65,828,135	65,854,510
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
CAPITAL STOCK EXPENSE	84,710-	32,610-	25,466-	12,723-	12,723-
RETAINED EARNINGS	421,530,896	380,561,464	349,508,529	339,357,732	315,779,946
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	8,303,215-	10,908,423-	14,954,843-	16,288,371-	1,939,325-
REACQUIRED CAPITAL STOCK	3,428,725-	3,430,225-	3,374,425-	417,225-	1,149,125-
TOTAL PROPRIETARY CAPITAL	814,987,545	745,360,178	691,250,139	666,895,161	661,354,862
BONDS (LESS BONDS REACQUIRED)	548,720,000	455,817,833	405,651,148	349,109,751	338,443,260
ADVANCES FROM ASSOCIATED COMPANIES	274,404,838	175,454,277	189,470,699	194,154,173	156,201,314
OTHER LONG-TERM DEBT	636,668	665,026	695,245	1,544,885	3,477,187
NET UNAMORTIZED PREMIUM AND DISCOUNT	358,984-	337,095-	335,707-	471,456-	958,754-
TOTAL LONG-TERM DEBT	823,402,522	631,600,041	595,481,385	544,337,353	497,163,007
NOTES PAYABLE	1,485,000	1,850,000	4,045,000	3,597,000	700,000
ACCOUNTS PAYABLE	101,678,795	72,340,360	65,976,071	78,253,725	80,529,854
PAYABLES TO ASSOCIATED COMPANIES	266,185,606	298,326,890	219,805,555	177,055,275	197,915,306
CUSTOMER DEPOSITS	18,702,503	18,903,169	18,603,198	18,835,358	18,142,128
TAXES ACCRUED	43,656,771	30,633,986	32,149,379	36,497,992	18,887,781
INTEREST ACCRUED	9,231,680	9,011,904	8,883,863	9,735,158	10,719,656
DIVIDENDS DECLARED	12,922,989	11,151,226	15,095,443	14,046,286	13,860,660
TAX COLLECTIONS PAYABLE	9,468,512	8,297,094	6,332,079	7,604,171	7,375,024
OTHER CURRENT AND ACCRUED LIABILITIES	38,044,531	22,310,865	25,354,336	40,552,374	54,442,698
TOTAL CURRENT AND ACCRUED LIABILITIES	501,376,387	472,825,494	396,244,924	386,177,339	402,573,107
CUSTOMER ADVANCES FOR CONSTRUCTION	1,511,254	1,774,814	1,702,308	1,426,722	1,104,142
DEFERRED GAINS FROM DISP. OF UTILITY PLT.	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	46,036,991	48,050,869	49,771,931	50,565,385	51,524,549
OTHER DEFERRED CREDITS	32,116,359	31,962,217	16,859,807	7,306,956	8,074,731
ACCUMULATED DEFERRED INCOME TAXES:					
ACCELERATED AMORTIZATION	-	-	-	412,739	490,713
LIBERALIZED DEPRECIATION	114,736,370	104,923,262	95,389,061	81,919,076	68,919,131
OTHER	54,199,567	49,087,106	27,613,484	28,326,801	30,587,282
TOTAL DEFERRED CREDITS	248,600,541	235,798,268	191,336,591	169,957,679	160,700,548
PROPERTY INSURANCE RESERVE	-	-	-	-	-
INJURIES AND DAMAGES RESERVE	3,360,467	3,048,254	2,823,149	3,116,690	2,928,397
PENSIONS AND BENEFITS RESERVE	1,291,764	904,473	557,123	252,149	44,436
MISCELLANEOUS OPERATING RESERVE	701,680	657,065	736,770	715,443	697,028
TOTAL OPERATING RESERVES	5,353,911	4,609,792	4,117,042	4,084,282	3,669,861
TOTAL LIABILITIES AND OTHER CREDITS	$ 2,393,720,906	$ 2,090,193,773	$ 1,878,430,081	$ 1,771,451,814	$ 1,725,461,385

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985
CURRENT ASSETS / BY CURRENT LIABILITIES	1.18	0.98	1.07	1.07	1.09
PERCENT OF CAPITALIZATION:					
LONG-TERM DEBT	50.2	45.8	46.2	44.9	42.9
PREFERRED STOCK	3.1	3.8	4.2	4.5	6.6
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.9	22.6	22.3	22.4	23.1
RETAINED EARNINGS	25.7	27.6	27.1	28.0	27.2
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	40.9	32.9	33.6	32.9	32.1
ACCUMULATED PROV.FOR DEPR:% OF UTILITY PLT	22.3	24.0	24.0	23.8	23.6

DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE.

TABLE 3G.

Statement of Cash Flows
For The Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$95,653,557	$91,402,913
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	55,511,426	52,816,539
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	24,268,279	(15,360,456)
4	Deferred Taxes & ITCs	12,372,285	16,676,447
5	Current Income Taxes & Other Taxes Payable	12,015,037	2,565,404
6	Interest Payable	277,536	122,218
7	Equity In Loss (Earnings) Of Affiliates	(2,442,084)	(3,913,939)
8	Capitalized AFDUC - Equity Funds	(2,971,869)	(2,622,388)
9	Other Adjustments	(64,782,630)	(10,005,240)
10	Total Adjustments	34,247,980	40,278,585
11	Net Cash From Operating Activities	129,901,537	131,681,498
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(154,756,757)	(160,937,385)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities	35,000	20,000
15	Investments In & Advances To Subsidiary & Assoc. Co'	(29,835,536)	(14,573,875)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.	1,990,717	8,300,000
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	1,382,986	467,859
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(12,088,089)	(15,141,845)
22	Net Cash From Investing Activities	(193,271,679)	(181,865,246)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	191,823,797	(28,548,887)
24	Common Stock	18,117,716	2,794,200
25	Preferred Stock	(1,150,000)	15,343,373
26	Short-term Debt	(37,555,000)	45,700,000
27	Dividends Paid	(51,134,269)	(60,157,013)
28	Contributions & Advances - Subsidiary & Assoc. Co's.	9,215,000	(1,150,000)
29	Other Cash Flows - Financing Activities	(29,209,675)	65,258,871
30	Net Cash From Financing Activities	100,107,569	39,240,544
31	Net Incr./(Decr.) In Cash & Cash Equivalents	36,737,427	(10,943,204)
32	Cash & Cash Equivalents At Beginning Of Year	64,996,024	124,921,569
33	Cash & Cash Equivalents At End Of Year	$101,733,451	$113,978,365

TABLE 4G.

COMPARATIVE INCOME STATEMENT AND SELECTED INCOME RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

COMPARATIVE INCOME STATEMENTS

ITEM	1989	1988	1987	1986	1985
GAS OPERATING INCOME:					
OPERATING REVENUES	$ 1,814,171,544	$ 1,691,076,211	$ 1,643,053,307	$ 1,902,325,872	$ 2,061,055,631
OPERATION AND MAINTENANCE EXPENSE	1,363,490,732	1,277,866,049	1,253,642,823	1,478,627,290	1,644,550,627
DEPRECIATION EXPENSE	49,596,702	47,328,258	43,574,357	41,168,504	38,573,633
AMORTIZATION	932,560	500,902	796,785	824,683	775,202
TAXES OTHER THAN INCOME TAXES - OPERATING	193,704,286	176,794,556	175,613,171	185,000,921	189,340,536
INCOME TAXES - OPERATING	45,414,393	40,279,278	38,328,069	57,262,750	54,623,821
GAINS/LOSSES FROM DISP. OF UTILITY PLT.	-	56,006-	-	-	-
TOTAL OPERATING EXPENSES	1,653,137,672	1,542,713,037	1,511,955,204	1,762,884,149	1,927,863,817
NET OPERATING REVENUES	161,033,872	148,363,174	131,098,103	139,441,723	133,191,814
INC. - LEASED PLANT	-	-	-	-	-
GAS OPERATING INCOME	161,033,882	148,363,174	131,098,103	139,441,723	133,191,814
OTHER UTILITY OPERATING INCOME	-	-	-	-	-
TOTAL UTILITY OPERATING INCOME	161,033,872	148,363,174	131,098,103	139,441,723	133,191,814
OTHER INCOME:					
MERCH., JOBBING, & CONTRACT WORK	103,157	97,951-	65,827-	26,093	4,837-
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-
NONOPERATING RENTAL INCOME	287,098	258,324	228,189	228,580	207,851
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	2,730,208	4,171,420	1,398,530	13,720,157-	231,199-
INTEREST AND DIVIDEND INCOME	9,599,418	6,874,760	2,746,534	5,822,458	6,054,398
ALLOWANCE FOR CONSTRUCTION FUNDS	4,424,775	3,809,655	2,258,340	1,591,108	1,728,686
MISCELLANEOUS NONOPERATING INCOME	403,183	186,993	161,201	298,022	706,469
GAIN ON DISPOSITION OF PROPERTY	-	31,262	483,950	442,390	-
TOTAL OTHER INCOME	17,547,839	15,234,463	7,210,917	5,311,506-	8,461,368
TOTAL INCOME	178,581,711	163,597,637	138,309,020	134,130,217	141,653,182
INCOME DEDUCTIONS:					
TAXES OTHER THAN INC. TAXES - NONOPERATING	154,308	231,799	221,055	289,879	217,091
INCOME TAXES - NONOPERATING	1,844,745-	995,623-	1,491,887-	3,091,529-	225,755
LOSS ON DISPOSITION OF PROPERTY	-	52,178	79,302	124,683	-
MISCELLANEOUS AMORTIZATION	18,656	2,914	-	-	-
MISCELLANEOUS INCOME DEDUCTIONS	3,228,531	3,141,512	2,758,199	2,832,745	2,305,327
TOTAL INCOME DEDUCTIONS	1,556,750	2,432,780	1,566,669	155,778	2,748,173
INCOME BEFORE INTEREST CHARGES	177,024,961	161,164,857	136,742,351	133,974,439	138,905,009
INTEREST CHARGES:					
INTEREST ON LONG-TERM DEBT	39,797,248	35,211,786	31,546,424	33,180,878	28,730,677
AMORT. OF DEBT DISCOUNT & EXPENSE	1,234,771	1,145,789	1,304,378	786,278	504,728
AMORT. OF PREMIUM ON DEBT - CREDIT	28,658-	29,091-	30,076-	30,019-	32,110-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	35,289,845	29,289,391	25,040,085	21,493,312	19,458,793
OTHER INTEREST EXPENSE	4,470,562	3,952,569	2,185,016	6,122,315	7,183,315
TOTAL INTEREST CHARGES	80,763,768	69,570,444	60,045,827	61,552,764	55,845,403
INCOME BEFORE EXTRAORDINARY ITEMS	96,261,193	91,594,413	76,696,524	72,421,675	83,059,606
EXTRAORDINARY ITEMS - NET	402,142-	-	-	-	-
NET INCOME	$ 95,859,051	$ 91,594,413	$ 76,696,524	$ 72,421,675	$ 83,059,606
DIVIDENDS DECLARED - PREFERRED STOCK	$ 4,002,093	$ 4,153,699	$ 4,543,822	$ 6,755,659	$ 7,862,306
- COMMON STOCK	48,232,176	51,345,814	60,565,416	56,287,196	51,927,921

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985
NET INCOME - PERCENT OF OPERATING REVENUES	5.2	5.4	4.6	3.8	4.0
PRETAX COVERAGE OF INTEREST CHARGES	2.5	2.9	2.9	3.1	3.5
COMMON STOCK DIVDENDS AS A % OF EARNINGS	52.5	58.7	83.9	85.7	69.0
RETURN ON COMMON EQUITY	12.6	13.1	11.5	10.9	13.3

THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES.. SEE TABLE 4. FOR GAS DATA ON COMBINATION COMPANIES.

TABLE 5G

COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
GAS OPERATING REVENUES					
REVENUES:					
RESIDENTIAL	$ 1,347,338,020	$ 1,241,392,399	$ 1,169,784,751	$ 1,330,981,349	$ 1,364,635,914
COMMERCIAL AND INDUSTRIAL	391,033,731	387,342,972	391,593,001	495,659,025	598,383,793
OTHER SALES TO PUBLIC AUTHORITIES	38,052,851	32,352,020	32,087,459	37,442,178	42,381,714
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL REVENUES - ULTIMATE CONSUMERS	1,776,424,602	1,661,087,391	1,593,465,211	1,864,082,552	2,005,401,421
RESALE	4,280,771	1,850,424	26,603,870	21,649,017	41,725,594
TOTAL REVENUES FROM SALES OF GAS	1,780,705,373	1,662,937,815	1,620,069,081	1,885,731,569	2,047,127,015
OTHER GAS OPERATING REVENUES	33,466,171	28,138,396	22,984,226	16,594,300	13,928,617
TOTAL GAS OPERATING REVENUES	$ 1,814,171,544	$ 1,691,076,211	$ 1,643,053,307	$ 1,902,325,869	$ 2,061,055,632
GAS SALES (MCF):					
RESIDENTIAL	190,057,019	187,865,377	175,895,424	177,522,376	172,775,666
COMMERCIAL AND INDUSTRIAL	73,970,504	81,737,457	84,727,718	94,578,868	104,525,075
OTHER SALES TO PUBLIC AUTHORITIES	7,109,685	5,664,445	6,079,505	6,704,858	6,465,729
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL SALES TO ULTIMATE CONSUMERS	271,137,210	275,267,280	266,702,648	278,806,103	283,766,470
RESALE	716,589	516,614	9,373,751	5,126,515	10,619,912
TOTAL GAS SALES	271,853,799	275,783,894	276,076,399	283,932,618	294,386,382
CUSTOMERS - AVERAGE PER MONTH:					
RESIDENTIAL	1,804,650	1,795,166	1,784,560	1,782,326	1,775,364
COMMERCIAL AND INDUSTRIAL	89,700	87,321	85,103	83,481	81,750
OTHER SALES TO PUBLIC AUTHORITIES	3,215	3,188	3,145	3,032	2,995
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL ULTIMATE CONSUMERS	1,897,565	1,885,675	1,872,808	1,868,839	1,860,109
RESALE	3	2	3	3	4
TOTAL CUSTOMERS	1,897,568	1,885,677	1,872,811	1,868,842	1,860,113
OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES:					
AVERAGE ANNUAL BILL PER CUSTOMER	746.59	691.52	655.50	746.77	768.65
AVERAGE MCF CONSUMPTION PER CUSTOMER	105.3	104.7	98.6	99.6	97.3
AVERAGE REVENUE PER MCF SOLD	7.09	6.61	6.65	7.50	7.90
COMMERCIAL AND INDUSTRIAL SALES:					
AVERAGE ANNUAL BILL PER CUSTOMER	4,359.35	4,435.85	4,601.40	5,937.39	7,319.68
AVERAGE MCF CONSUMPTION PER CUSTOMER	824.6	936.1	995.6	1,132.9	1,278.6
AVERAGE REVENUE PER MCF SOLD	5.29	4.74	4.62	5.24	5.72
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES:					
MANUFACTURED GAS					
STEAM	$ 6,130	$ 13,219	$ 28,911	$ 1,120,814	$ 1,727,395
MANUFACTURED GAS	1,411,730	1,882,757	1,857,872	8,387,239	9,257,893
NATURAL GAS					
PRODUCTION AND GATHERING	619,238	570,746	351,660	418,681	714,111
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	926,487,520	870,836,696	853,120,209	1,102,271,398	1,279,993,810
OTHER	3,187,856	1,633,623	3,048,465	553,113-	509,785-
TOTAL PRODUCTION EXPENSES	931,712,474	874,937,041	858,407,117	1,111,645,019	1,291,183,424
NATURAL GAS STORAGE EXPENSES:					
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
OTHER STORAGE EXPENSES	6,285,311	5,633,901	6,854,327	5,151,426	4,914,362
TOTAL NATURAL GAS STORAGE EXPENSES	6,285,311	5,633,901	6,854,327	5,151,426	4,914,362
TRANSMISSION EXPENSES	1,347,386	1,382,222	1,138,325	876,747	989,817
DISTRIBUTION EXPENSES	159,619,274	150,798,121	165,169,268	141,882,441	130,567,218
CUSTOMER ACCOUNTS EXPENSES	95,331,022	89,512,578	83,189,427	81,323,237	83,564,916
SALES EXPENSES	19,127,300	17,796,261	13,765,950	13,853,933	12,883,091
ADM. & GENERAL EXPENSES	150,067,965	137,805,925	125,118,411	123,894,487	120,447,799
TOTAL GAS O & M EXPENSES	$ 1,363,490,732	$ 1,277,866,049	$ 1,253,642,823	$ 1,478,627,290	$ 1,644,550,627

THIS TABLE INCLUDES GAS DATA FOR STRAIGHT GAS COMPANIES. SEE TABLE 6. FOR GAS DATA ON COMBINATION COMPANIES.

TABLE 6G.

DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
REVENUES	$ 1,814,171,544	$ 1,691,076,211	$ 1,643,053,307	$ 1,902,325,872	$ 2,061,055,631
SALES (MCF)	271,853,799	275,783,894	276,076,399	283,932,618	294,386,382
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 929,675,376	$ 872,470,319	$ 856,168,674	$ 1,101,718,285	$ 1,279,484,025
WAGES AND BENEFITS	182,326,135	230,379,841	235,171,653	214,388,053	215,815,935
OTHER OPERATION AND MAINTENANCE EXPENSES	251,489,221	174,959,883	162,302,496	162,520,952	149,250,667
DEPR. AND AMORT. EXPENSES	50,528,262	47,829,160	44,371,142	41,993,187	39,348,835
INCOME TAXES - OPERATING	45,414,393	40,279,278	38,328,069	57,262,750	54,623,821
OTHER TAXES - OPERATING	193,704,286	176,794,556	175,613,171	185,000,921	189,340,536
*INTEREST CHARGES **	80,517,104	69,031,184	59,735,307	61,300,849	55,559,745
*PREFERRED DIVIDENDS **	3,750,622	3,959,519	4,417,500	6,642,072	7,712,305
EARNINGS AVAILABLE FOR COMMON EQUITY	76,766,146	75,372,471	66,945,296	71,498,804	69,919,764
TOTAL	$ 1,814,171,544	$ 1,691,076,211	$ 1,643,053,307	$ 1,902,325,872	$ 2,061,055,631
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	51.2	51.6	52.1	57.9	62.1
WAGES AND BENEFITS	10.1	13.6	14.3	11.3	10.5
OTHER OPERATION AND MAINTENANCE EXPENSES	13.9	10.3	9.9	8.5	7.2
DEPRECIATION AND AMORTIZATION EXPENSES	2.8	2.8	2.7	2.2	1.9
INCOME TAXES - OPERATING	2.5	2.4	2.3	3.0	2.7
OTHER TAXES - OPERATING	10.7	10.5	10.7	9.7	9.2
*INTEREST CHARGES **	4.4	4.1	3.6	3.2	2.7
*PREFERRED DIVIDENDS**	0.2	0.2	0.3	0.3	0.4
EARNINGS AVAILABLE FOR COMMON EQUITY	4.2	4.5	4.1	3.8	3.4
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.42	$ 3.16	$ 3.10	$ 3.88	$ 4.35
WAGES AND BENEFITS	0.67	0.84	0.85	0.76	0.73
OTHER OPERATION AND MAINTENANCE EXPENSES	0.93	0.63	0.59	0.57	0.51
DEPRECIATION AND AMORTIZATION EXPENSES	0.19	0.17	0.16	0.15	0.13
INCOME TAXES - OPERATING	0.17	0.15	0.14	0.20	0.19
OTHER TAXES - OPERATING	0.71	0.64	0.64	0.65	0.64
*INTEREST CHARGES **	0.30	0.25	0.22	0.22	0.19
*PREFERRED DIVIDENDS **	0.01	0.01	0.02	0.02	0.03
EARNINGS AVAILABLE FOR COMMON EQUITY	0.28	0.27	0.24	0.25	0.24
TOTAL	$ 6.67	$ 6.13	$ 5.95	$ 6.70	$ 7.00

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

**NET OF AFC

Telephone Companies

Table 1T.

Major New York State Telephone Companies
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT ASSETS		
Cash and Equivalents		
Cash	($100,312,699)	$27,668,535
Special Cash Deposits	3,293,922	2,340,526
Working Cash Advances	6,402,474	7,018,426
Temporary Investments	39,749,283	5,405,901
Total Cash and Equivalents	($50,867,020)	$42,433,388
Tel. Accounts Rec.(net)	1,602,148,598	1,648,625,625
Accts.Rec.- Affiliated Cos.	137,829,373	118,246,983
Accounts Rec. - Other	413,478,580	381,686,198
Accts. Rec. Allow. - Affil. & Other	(21,575)	(28,282)
Notes Rec. - Affiliated Cos.		100,000
Notes Rec. - Other	800,047	695,782
Notes Rec. Allow. Affil. & Other		
Interest and Dividends Rec.	404,973	2,945,550
Total Receivables (net)	2,154,639,996	2,152,271,856
Inventories	129,278,993	101,127,438
Prepayments	137,065,451	87,491,882
Other Current Assets	38,103,313	39,653,448
Current Deferred Inc. Taxes (Dr.)	74,079,891	18,941,726
Total Current Assets	2,482,300,624	2,441,919,738
NONCURRENT ASSETS		
Inv. & Advances - Affiliated Cos.	460,687,351	361,445,779
Investments in Nonaffiliated Cos.	6,695,926	4,684,047
Nonregulated Investments	1,065,915	2,051,035
Unamortized Debt Issuance Expense	161,401,546	163,333,692
Sinking Funds & Other Noncurrent	20,524,902	16,137,078
Deferred Maintenance & Retirements	4,401	6,989
Deferred Charges	517,125,626	572,384,564
Other Jurisdictional Assets-Net	219,553	
Noncurrent Deferred Inc. Taxes-Dr.	31,860,699	20,813,089
Total Noncurrent Assets	1,199,585,919	1,140,856,273
REGULATED PLANT		
Tel. Plant in Service	20,472,852,743	19,832,734,805
Property Held - Future Tel. Use	20,351,675	16,040,502
Tel. Plant Under Construction:		
- Short Term	422,404,897	323,543,879
- Long Term	254,830,685	307,952,217
Telecommunications Plant Adjustment	1,144,118	1,334,151
Nonoperating Plant	9,524,596	10,380,971
Goodwill	18,642,891	12,225,520
Total Telecommunications Plant	21,199,751,605	20,504,212,045
Less Depreciation & Amortization	7,272,211,835	6,538,429,235
Net Telecommunications Plant	13,927,539,770	13,965,782,810
Total Assets and Other Debits	$17,609,426,313	$17,548,558,821

Table 2T.

Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$339,277,009	$466,125,635
2	Accounts Payable - Other	1,256,945,107	1,113,229,154
3	Notes Payable - Affiliated Cos.	10,776,541	26,597,183
4	Notes Payable - Other	11,798,858	21,996,984
5	Advance Billing & Payments	143,589,148	143,696,194
6	Customers' Deposits	52,652,686	47,821,706
7	Current Maturities - LT Debt	26,130,825	28,341,961
8	Current Maturities - Capital Leases	5,815,800	6,159,170
9	Income Taxes - Accrued	42,883,766	111,790,308
10	Other Taxes - Accrued	62,865,300	70,512,567
11	Current Def. Op. Inc. Taxes - Cr.	37,901,738	75,693,462
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	520,288,925	484,519,084
14	Total Current Liabilities	2,510,925,703	2,596,483,408
	LONG-TERM DEBT		
15	Funded Debt	4,591,986,799	4,520,299,364
16	Prem. & Disc. on LT Debt	34,083,523	(37,252,308)
17	Reacquired Debt		
18	Obligations Under Capital Leases	89,410,959	94,406,846
19	Advances from Affil. Cos.	260,617,485	201,917,989
20	Other Long Term Debt	12,463,987	23,294,619
21	Total Long - Term Debt	4,988,562,753	4,802,666,510
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities	98,676,987	83,267,526
23	Unamortized Oper. ITC - net	469,901,848	537,002,080
24	Unamortized Nonoper. ITC - net	3,224,255	3,505,989
	Noncurrent Deferred:	161,877	
25	Operating Income Taxes - cr.	2,648,147,885	2,618,096,519
26	Nonoperating Income Taxes - cr.	2,251,619	5,362,717
27	Other Deferred Credits	205,542,630	74,401,221
28	Other Juris. Liab. & Def. Cr. - net	390,796	
29	Total Other Liab. & Deferred Credits	3,428,297,897	3,321,636,052
	STOCKHOLDER'S EQUITY		
30	Common Stock	4,081,473,850	4,047,172,077
31	Preferred Stock	29,884,670	30,244,870
32	Additional Paid-in Capital	394,622,795	392,680,446
33	Treasury Stock	(304,670)	(2,886,950)
34	Other Capital	41,039,220	38,933,314
35	Approp. Retained Earnings	627,368	
36	Unapprop. Undist. Affil. Earnings	6,402,546	14,387,266
37	Unappropriated Retained Earnings	2,214,284,100	2,307,241,789
38	Total Stockholder's Equity	6,768,029,879	6,827,772,812
39	Total Liabilities & Other Credits	$17,695,816,232	$17,548,558,782

Table 3T.

Comparative Income and Retained Earnings Statements
For the Year Ended December 31

Item	1989	1988
TELEPHONE OPERATING INCOME		
Operating Revenues	$9,878,775,777	10,009,263,894
Operating Expenses	7,670,523,207	7,446,081,089
Net Operating Revenues	2,208,252,570	2,563,182,805
OTHER OPER. INCOME & EXPENSE		
Income from Custom Work	143,288	110,341
Return from Nonregulated Use of Regulated Facilities	208,226	(333,898)
Gains/Losses:		
Foreign Exchange		(244)
Disposition of Land & Artworks		21,137
Other	203,154	(434,538)
Total Other Op. Income & Expenses	554,668	(637,202)
OPERATING TAXES		
Investment Tax Credits - Net	(65,787,789)	(58,706,689)
Federal Income Taxes	325,921,072	398,997,370
State & Local Income Taxes	560,042	491,770
Other Taxes	956,157,684	979,816,653
Provision-Deferred Op.Income Taxes-Net	(74,663,835)	(60,988,970)
Total Operating Taxes	1,142,187,174	1,259,610,134
Net Operating Income	$1,066,620,064	$1,302,935,469
NONOPERATING INCOME AND EXPENSES		
Dividend Income	8,039,398	5,911,465
Interest Income	10,806,267	8,012,193
Income-Sinking & Other Funds	55,456	50,336
Allow. for Funds Used During Const.	52,540,298	63,240,518
Gains/Losses-Dispos. Certain Property	(187,610)	4,949
Equity in Earnings Affiliated Co's.	26,991,161	30,661,383
Other Nonoperating Income	(13,627,607)	(1,212,583)
Special Charges	(17,934,693)	(13,262,822)
Total Nonop.Income & Expenses	$66,682,670	$93,405,439

Table 4T.

Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	1989	1988
NONOPERATING TAXES		
Investment Tax Credits-Net	($9,329,809)	($422,968)
Federal Income Taxes	1,053,258	(2,119,421)
State & Local Taxes		6,334
Other Taxes	633,864	455,921
Prov. -Def. Income Taxes-Net	(4,145,479)	(1,056,189)
Total Nonoperating Taxes	(11,788,166)	(3,164,903)
Total Nonoperating Income	78,470,836	96,643,172
Income Available- Fixed Charges	$1,145,090,900	$1,399,538,207
INTEREST AND RELATED ITEMS		
Interest on Funded Debt	$359,929,877	$358,384,229
Interest Expense-Capital Leases	11,967,637	12,277,872
Amort. Debt Issuance Expense	5,582,686	5,488,172
Other Interest Deductions	53,006,477	42,057,228
Total	430,486,677	418,207,501
Income Before Extraordinary Items	$714,604,223	$981,330,706
EXTRAORDINARY AND NONREGULATED ITEMS		
Extraordinary Items-Net	($15,087)	$39,897
Nonregulated Net Income	100,641	(149,568)
Other Nonregulated Revenues	25,866,198	19,498,259
Total	25,951,752	19,388,588
NET INCOME	$740,555,975	$1,000,719,294
RETAINED EARNINGS		
Unappropriated Retained Earnings:		
Balance Beg. of Year	$2,306,703,761	$2,210,527,679
Transferred from Income	748,616,059	998,745,132
Appropriations		
Dividends Dec.- Preferred Stock	1,784,484	1,790,103
- Common Stock	838,993,136	906,655,439
Adjustments	(820,967)	6,339,135
Balance End of Year	2,213,721,233	2,307,166,404
Appropriated Retained Earnings		
Total Retained Earnings	$2,213,721,233	$2,307,166,404
Unapp. Undistr. Subsidiary Earnings		
Balance Beg. of Year	$14,407,183	$12,488,468
Balance End of Year	$26,501,855	$14,462,632

TABLE 5T.

Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$702,658,418	$958,418,937
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,530,281,663	1,426,794,878
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	157,990,892	(30,303,405)
4	Deferred Taxes & ITCs	(152,129,073)	(129,844,220)
5	Current Income & Other Taxes Payable	(37,089,392)	(52,197,201)
6	Interest Payable	(982,752)	(2,287,429)
7	Equity In Loss (Earnings) Of Affiliates	(25,921,963)	(30,050,810)
8	Capitalized AFDUC - Equity	(36,766,286)	(44,393,148)
9	Dividends Recieved - Assoc. & Subsid. Co's.	36,469,500	27,852,219
10	Other Adjustments	101,728,711	87,645,827
11	Total Adjustments	1,573,581,300	1,253,216,711
12	Net Cash From Operating Activities	2,276,239,718	2,211,635,648
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,377,766,265)	(1,670,558,571)
14	Acquisition Of Other Non-current Assets	(22,711)	(77,012)
15	Payments - Acq. Of Other Debt & Equity Securities	(489,679)	(300,231)
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(54,611,405)	(30,135,261)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	(3,503,541)	6,167
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(6,187,849)	(34,228,709)
19	Investments In Subsidiary & Assoc. Co's.	(1,000)	49,000
20	Other Debt & Equity Investments	(183,137)	191,286
21	Other Non-current Assets	(185,682)	(471,069)
22	Other Cash Flows - Investing Activities	(299,076)	(208,783)
23	Net Cash From Investing Activities	(1,443,250,345)	(1,735,733,183)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(22,103,570)	12,885,050
25	Common Stock		(209,836)
26	Preferred Stock	(331,460)	(656,898)
27	Short-term Debt	(185,985,566)	151,468,812
28	Dividends Paid	(801,315,603)	(867,109,372)
29	Contributions & Advances - Subsidiary & Assoc. Co's.	53,726,524	74,167,141
30	Principal Payments Under Capital Leases	(5,665,905)	5,403,949
31	Other Cash Flows - Financing Activities	2,633,476	116,705,103
32	Net Cash From Financing Activities	(959,042,104)	(507,346,051)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(126,052,731)	(31,443,586)
34	Cash & Cash Equivalents At Beginning Of Year	41279718	72732803
35	Cash & Cash Equivalents At End Of Year	($84,773,013)	$41,289,217

Table 6T.

Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$4,531,497,899	$4,494,722,862
2	Network Access Services	2,455,799,779	2,424,182,586
3	Long Distance Network Services	2,337,331,399	2,483,880,076
4	Miscellaneous Revenues	676,019,273	707,967,083
5	Uncollectible Revenues	(121,872,570)	(101,488,715)
6	Total Operating Revenues	$9,878,775,780	$10,009,263,892
7	Access Lines in Service	10,417,698	10,407,505
8	Total Revenue per Access Line	$27,700	$25,763
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$9,602,944	$11,235,303
2	General Support Services	702,681,195	704,980,748
3	Central Office Switching	326,714,140	317,411,059
4	Operator Systems Expense	11,859,792	3,820,602
5	Central Office Transmission	103,258,239	116,773,652
6	Info. Origination/Termination	286,139,832	247,214,344
7	Cable & Wire Facilities	536,676,233	553,850,537
8	Total Plant Specific Operations	$1,976,932,375	$1,955,286,245
9	Other Plant, Prop, & Equip.	$2,828,672	$1,934,288
10	Network Operations	707,189,552	776,961,669
11	Access Expense	876,590,388	943,060,831
12	Depreciation & Amortization Exp.	1,566,616,127	1,463,007,061
13	Total Plant Nonspecific Operations	$3,153,224,739	$3,184,963,849
14	Marketing Expense	$348,069,872	$347,824,821
15	Services Expense	946,943,093	995,238,445
16	Total Customer Operations	$1,295,012,965	$1,343,063,266
17	Executive & Planning	$31,050,127	$29,954,054
18	General & Administrative	1,214,302,643	929,693,774
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$1,245,352,770	$959,647,828
21	Total Operations Expenses	$7,670,522,849	$7,442,961,188

Table 7T.

Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,788,040,459	$2,737,462,413
2	Central Office Assets	9,035,965,298	8,696,886,200
3	Information Origination/Termination	1,712,306,038	1,703,828,124
4	Cable And Wire Facilities	6,592,829,958	6,338,847,219
5	Amortizable Assets	353,712,865	348,801,304
6	Total Plant In Service	20,482,854,619	19,825,825,260
7	Property Held For Future Use	10,062,561	16,040,502
8	Plant Under Construction - Short & Long Term	677,640,439	631,496,098
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition	644,876	817,408
11	Other Plant	499,242	499,242
12	Nonoperating Plant	9,591,461	9,544,742
13	Goodwill	18,642,891	12,225,520
14	Total Telecommunications Plant	$21,199,936,089	$20,496,448,772

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.99	0.94
	Percent Of Capitalization:		
16	Long Term Debt	42.43	41.29
17	Preferred Stock	0.25	0.26
18	Common Stock & Other Paid In Capital	38.60	38.65
19	Retained Earnings	18.71	19.80

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	7.47	10.00
21	Pretax Coverage Of Interest Charges	3.05	4.01
22	Common Stock Dividends As A % of Earnings	93.09	90.60
23	Return On Common Equity	10.87	14.70

Water Companies

TABLE 1W

COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
ASSETS AND OTHER DEBITS					
WATER PLANT	$ 403,449,360	$ 383,627,120	$ 350,884,370	$ 323,629,046	$ 306,493,336
ACCUM. PROV. FOR DEPR. & AMORT.	87,232,278	85,605,262	80,739,067	75,997,949	73,534,469
NET WATER PLANT	316,217,082	298,021,858	270,145,303	247,631,096	232,958,866
OTHER PHYSICAL PROPERTY	311,900	314,490	314,531	314,571	314,608
INVESTMENTS IN ASSOCIATED COMPANIES	21,526,522	21,525,522	21,525,522	20,877,352	21,213,384
OTHER INVESTMENTS AND FUNDS	48,622	44,479	31,013	21,707	9,132
TOTAL INVESTMENT AND FUND ACCOUNTS	21,887,044	21,884,491	21,871,066	21,132,630	21,537,124
CASH AND WORKING FUNDS	4,374,183	6,516,427	6,747,819	7,210,311	5,925,953
SPECIAL DEPOSITS	9,315,246	3,002,163	5,285,790	4,290,596	5,374,897
TEMPORARY CASH INVESTMENTS	1,744,486	1,320,848	11,207,563	3,975,000	100
NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	17,513,463	18,761,657	16,478,848	14,698,235	13,648,619
RECEIVABLES - ASSOCIATED COMPANIES	3,772,022	4,571,017	2,154,069	3,460,416	2,861,445
MATERIALS AND SUPPLIES	2,699,926	2,867,740	3,024,669	2,612,087	2,664,121
PREPAYMENTS	4,964,003	4,006,979	4,234,977	4,465,634	3,790,107
OTHER CURRENT AND ACCRUED ASSETS	9,081,725	8,431,989	7,488,502	7,731,665	6,457,770
TOTAL CURRENT AND ACCRUED ASSETS	53,465,054	49,478,820	57,703,237	48,443,945	40,723,014
UNAMORTIZED DEBT EXPENSE	4,839,842	4,318,045	2,730,483	2,253,683	2,424,389
EXTRAORDINARY PROPERTY LOSSES	155,360	-	-	-	-
PREL. SURVEY & INVESTIGATION CHARGES	86,518	87,405	49,192	39,611	85,511
CLEARING ACCOUNTS	16,171-	83,881	58,728	7,258	66,141
ACCUM. DEFERRED INCOME TAXES	4,182,122	4,076,030	34,443-	10,456	-
OTHER DEFERRED DEBITS	3,645,809	2,985,978	2,185,057	2,614,842	2,134,469
TOTAL DEFERRED DEBITS	12,893,480	11,551,339	4,989,017	4,925,850	4,710,510
TOTAL ASSETS AND OTHER DEBITS	$ 404,462,660	$ 380,936,508	$ 354,678,623	$ 322,133,522	$ 299,929,515
WATER UTILITY PLANT					
PLANT IN SERVICE	$ 387,905,520	$ 364,343,203	$ 336,378,189	$ 312,183,183	$ 298,294,625
PLANT LEASED TO OTHERS	-	-	-	-	7,004
CONSTRUCTION WORK IN PROGRESS	14,632,608	18,269,199	13,421,336	10,274,618	6,969,426
PLANT HELD FOR FUTURE USE	189,520	190,812	190,812	217,176	220,176
PLANT ACQUISITION ADJUSTMENTS	1,277,825	623,414	1,385,894	1,439,929	1,493,965
OTHER PLANT ADJUSTMENTS	-	708,447	-	-	-
ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	491,861-	491,861-	491,861-	491,861-	491,861-
TOTAL WATER UTILITY PLANT	403,513,612	383,643,214	350,884,370	323,629,046	306,493,336
ACCUM. PROV. FOR DEPR. & AMORT.	87,232,277	85,605,262	80,739,067	75,997,949	73,534,469
NET WATER UTILITY PLANT	$ 316,281,335	$ 298,037,952	$ 270,145,303	$ 247,631,096	$ 232,958,866
PLANT IN SERVICE:					
BEGINNING OF YEAR	$ 354,007,413	$ 336,378,189	$ 312,189,186	$ 295,290,080	$ 281,841,714
ADDITIONS	36,123,397	29,432,778	25,391,938	19,303,531	18,818,050
RETIREMENTS	1,857,161	1,246,280	994,547	2,144,351	1,281,775
TRANSFERS AND ADJUSTMENTS	422,382-	221,483-	208,387-	260,064-	1,083,367-
END OF YEAR	$ 387,841,267	$ 364,343,204	$ 336,378,189	$ 312,189,195	$ 298,294,624

TABLE 2W

COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

LIABILITIES AND OTHER CREDITS

ITEM	1989	1988	1987	1986	1985
COMMON CAPITAL STOCK	$ 33,512,279	$ 34,462,429	$ 34,462,429	$ 34,462,429	$ 34,740,329
PREFERRED CAPITAL STOCK	18,829,760	19,263,750	14,916,840	10,817,130	11,586,820
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	3,608,274	3,631,144	2,872,127	2,605,966	2,322,052
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	17,225,894	18,975,002	16,853,075	14,952,014	12,913,462
CAPITAL STOCK EXPENSE	569,725-	613,305-	657,831-	438,802-	439,584-
RETAINED EARNINGS	114,301,210	111,889,307	103,819,995	95,031,910	86,886,671
REACQUIRED CAPITAL STOCK	-	-	-	-	-
TOTAL PROPRIETARY CAPITAL	186,907,693	187,608,327	172,266,635	157,430,647	148,009,755
BONDS (LESS BONDS REACQUIRED)	75,337,000	59,262,375	61,009,375	57,656,375	66,421,500
ADVANCES FROM ASSOCIATED COMPANIES	650,099	640,128	620,784	6,413,492	6,419,503
OTHER LONG TERM DEBT	35,835,699	29,579,733	28,011,235	20,493,469	21,331,224
NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	20,016-	20,997-	21,977-	22,957-	23,938-
TOTAL LONG TERM DEBT	111,802,782	89,461,239	89,619,417	84,540,379	94,148,290
NOTES AND ACCOUNTS PAYABLE	14,280,460	25,149,071	11,252,547	9,014,816	7,862,543
PAYABLES TO ASSOCIATED COMPANIES	16,620,816	9,420,912	22,717,898	15,846,928	4,639,032
CUSTOMERS' DEPOSITS	722,441	957,745	1,038,639	1,101,781	1,038,134
TAXES ACCRUED	5,598,084	6,032,464	6,139,665	4,886,591	7,174,958
OTHER CURRENT AND ACCRUED LIABILITIES	16,420,750	13,158,369	11,644,139	13,063,364	8,554,659
TOTAL CURRENT AND ACCRUED LIABILITIES	53,642,551	54,718,561	52,792,888	43,913,482	29,269,329
CUSTOMER ADVANCES FOR CONSTRUCTION	18,500,397	16,876,187	14,923,954	12,969,861	9,301,816
ACCUM. DEFERRED INVESTMENT TAX CREDITS	6,655,842	7,107,337	7,284,415	7,072,944	7,022,107
OTHER DEFERRED CREDITS	9,090,615	8,711,667	7,344,129	5,290,761	4,068,309
ACCUMULATED DEFERRED INCOME TAXES:					
ACCELERATED AMORIZATION	211,914	220,914	229,914	238,914	250,761
LIBERALIZED DEPRECIATION	15,289,183	13,047,253	9,914,898	7,773,227	5,552,080
OTHER	1,741,307	2,156,253	157,018-	1,495,617	890,990
TOTAL DEFERRED CREDITS	51,489,258	48,119,611	39,540,292	34,841,324	27,086,062
OPERATING RESERVES	620,376	1,028,770	459,391	1,407,689	1,416,078
TOTAL LIABILITIES AND OTHER CREDITS	$ 404,462,660	$ 380,936,508	$ 354,678,623	$ 322,133,522	$ 299,929,515

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985
CURRENT ASSETS / CURRENT LIABILITIES	1.00	0.90	1.09	1.10	1.39
PERCENT OF CAPITALIZATION:					
LONG TERM DEBT	37.4	32.2	34.2	34.9	38.8
PREFERRED STOCK	6.3	6.9	5.6	4.4	4.7
COMMON STOCK & OTHER PAID-IN CAPITAL	18.0	20.3	20.4	21.3	20.4
RETAINED EARNINGS	38.2	40.3	39.6	39.2	35.8
LONG-TERM DEBT:% OF GROSS WATER PLANT	27.7	23.3	25.5	26.1	30.7
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	21.6	22.3	23.0	23.4	23.9

TABLE 3W.

Statement of Cash Flows
For The Year Ended December 31

	1989	1988
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$14,769,180	$15,799,228
Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
Depreciation, Depletion & Amortization	6,920,405	6,000,762
Increase/(Decrease):		
Payables, Rec., Accrued Exp. & Inv. - Net	6,008,201	978,614
Deferred Taxes & ITCs	1,880,095	1,600,854
Current Income Taxes & Other Taxes Payable	(575,374)	(106,284)
Interest Payable	736,123	(104,903)
Equity In Loss (Earnings) Of Affiliates	(21)	
Capitalized AFDUC - Equity Funds	(698,543)	(738,900)
Other Adjustments	(1,514,467)	64,274
Total Adjustments	12,756,419	7,694,417
Net Cash From Operating Activities	27,525,599	23,493,645
CASH FLOWS FROM INVESTING ACTIVITIES		
Total Cash Outflows For Construction	(29,214,480)	(32,295,604)
Acquisition Of Other Non-current Assets		
Payments - Acq. Of Other Debt & Equity Securities	(15,680)	(16,254)
Investments In & Advances To Subsidiary & Assoc. Co'	2,419,797	(2,034,726)
Repayments Of Advances By Subsidiary & Assoc. Co's.		
Net Proceeds - Sale Or Disposition Of:		
Property, Plant & Equipment	(19,042)	20,901
Investments In Subsidiary & Assoc. Co's.		
Other Debt & Equity Investments		
Other Non-current Assets		
Other Cash Flows - Investing Activities	81,197	230,580
Net Cash From Investing Activities	(26,748,208)	(34,095,103)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds (Payments) - Issuing & Retiring:		
Long-term Debt	16,481,228	7,120,294
Common Stock		
Preferred Stock	(433,990)	4,346,910
Short-term Debt	(4,280,000)	(760,017)
Dividends Paid	(8,044,904)	(7,982,816)
Contributions & Advances - Subsidiary & Assoc. Co's.	1,048,431	(4,291,315)
Other Cash Flows - Financing Activities	471,449	(984,402)
Net Cash From Financing Activities	5,242,214	(2,551,346)
Net Incr./(Decr.) In Cash & Cash Equivalents	6,019,605	(13,152,804)
Cash & Cash Equivalents At Beginning Of Year	9,413,861	22,566,664
Cash & Cash Equivalents At End Of Year	$15,433,466	$9,413,860

TABLE 4W.

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
WATER OPERATING INCOME:					
OPERATING REVENUES	$ 148,889,393	$ 148,443,355	$ 142,037,824	$ 135,610,695	$ 127,991,831
OPERATION AND MAINTENANCE EXPENSE	70,827,576	71,101,431	65,959,705	60,436,813	55,436,787
DEPRECIATION	6,568,601	6,017,272	5,613,169	5,307,552	4,964,201
AMORTIZATION	25,037	25,038	25,027	54,313	25,091
TAXES OTHER THAN INCOME TAXES	38,458,918	36,268,967	35,910,061	32,483,514	33,330,893
INCOME TAXES	7,999,279	8,770,894	9,228,058	10,394,797	8,958,836
TOTAL OPERATING EXPENSES	123,879,411	122,183,602	116,736,020	108,676,990	102,715,812
NET OPERATING REVENUES	25,009,977	26,259,753	25,301,804	26,933,705	25,276,018
INC. - LEASED PLANT	-	-	-	421	-
TOTAL WATER OPERATING INCOME	25,009,977	26,259,753	25,301,804	26,934,126	25,276,018
OTHER INCOME:					
MERCH., JOBBING, & CONTRACT WORK	50,374	149,411	18,045	131,267	81,881
INCOME FROM NONUTILITY OPERATIONS	-	90-	3,019	484,749-	810,009-
NONOPERATING RENTAL INCOME	53,507	44,333	51,937	55,823	54,544
INTEREST AND DIVIDEND INCOME	560,888	378,460	202,059	407,854	340,071
ALLOWANCE FOR CONSTRUCTION FUNDS	1,289,494	1,036,941	888,368	652,467	631,203
MISCELLANEOUS NONOPERATING INCOME	525,984	631,596	228,474-	653,785	1,494,417
GAIN ON DISPOSITION OF PROPERTY	15,957	157	27	2,855	190
TOTAL OTHER INCOME	2,496,204	2,240,808	934,981	1,419,304	1,792,299
TOTAL INCOME	27,506,181	28,500,561	26,236,785	28,353,430	27,068,317
OTHER INCOME DEDUCTIONS:					
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-
MISCELLANEOUS AMORTIZATION	92,250	50,497	54,817	54,817	54,817
MISCELLANEOUS DEDUCTIONS	44,383	52,590	49,410	47,812	24,334
TAXES OTHER THAN INC. TAXES-NONOPERATING	21,308	79,670	14,311	21,308	21,212
INCOME TAXES-NONOPERATING	316,694	723,558	387,010	385,159	344,933
TOTAL INCOME DEDUCTIONS	474,635	906,315	505,548	509,096	445,296
INCOME BEFORE INTEREST CHARGES	27,031,546	27,594,246	25,731,237	27,844,334	26,623,021
INTEREST CHARGES:					
INTEREST ON LONG-TERM DEBT	8,906,484	8,378,794	7,271,337	8,133,792	8,547,489
AMORT. OF DEBT DISCOUNT EXPENSE	247,139	253,046	182,697	199,097	245,702
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,722,700	2,235,929	2,539,230	2,133,472	2,282,101
OTHER INTEREST CHARGES	1,357,905	608,912	77,122	179,115	162,958
TOTAL INTEREST CHARGES	12,234,228	11,476,681	10,070,386	10,645,476	11,238,253
EXTRAORDINARY ITEMS - NET	-	-	-	197,845-	-
NET INCOME	$ 14,797,321	$ 16,117,565	$ 15,660,851	$ 17,001,013	$ 15,384,769
RETAINED EARNINGS:					
BEGINNING OF YEAR	$ 107,622,680	$ 103,819,995	$ 95,031,910	$ 85,969,708	$ 79,345,033
TRANSFERRED FROM INCOME	14,797,320	16,117,566	15,660,853	17,001,013	15,384,769
APPROPRIATIONS	-	-	-	-	-
DIVIDENDS DECLARED-PREFERRED STOCK	1,630,465	1,337,575	1,103,404	1,114,048	1,111,955
-COMMON STOCK	6,424,725	6,785,492	6,970,139	6,844,839	6,735,595
ADJUSTMENTS	63,601-	74,813	82,582-	20,075	4,418
BALANCE END OF YEAR	114,301,209	111,889,307	102,536,639	95,031,910	86,886,671
APPROPRIATED RETAINED EARNINGS	-	-	1,283,356	-	-
TOTAL END OF YEAR	$ 114,301,209	$ 111,889,307	$ 103,819,995	$ 95,031,910	$ 86,886,671
SELECTED INCOME ACCOUNT RELATIONSHIPS					
NET INCOME - % OF OPERATING REVENUES	9.9	10.8	11.0	12.5	12.0
PRETAX COVERAGE OF INTEREST EXPENSE	2.9	3.2	3.5	3.6	3.2
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	48.7	45.9	47.8	43.0	47.1
RETURN ON COMMON EQUITY	7.8	9.0	9.5	11.2	10.7

TABLE 5W.

COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985
WATER OPERATING REVENUES					
REVENUES:					
METERED SALES TO GENERAL CUSTOMERS	$ 128,667,232	$ 127,781,796	$ 121,195,775	$ 112,313,487	$ 101,161,454
UNMETERED SALES TO GENERAL CUSTOMERS	956,495	1,999,081	2,649,650	5,597,267	11,073,915
SALES TO OTHER WATER COMPANIES	156,465	276,704	233,996	213,599	159,186
OTHER SALES OF WATER	18,582,883	17,715,502	17,465,730	16,653,540	14,679,296
TOTAL REVENUES FROM SALES OF WATER	148,363,075	147,773,083	141,545,151	134,777,894	127,073,853
OTHER WATER OPERATING REVENUES	526,318	670,272	492,673	832,801	917,979
TOTAL WATER OPERATING REVENUES	$ 148,889,393	$ 148,443,355	$ 142,037,824	$ 135,610,695	$ 127,991,832
WATER SALES (T.GALLONS):					
METERED SALES TO GENERAL CUSTOMERS	50,364,722	54,281,370	51,862,193	50,841,717	46,458,818
UNMETERED SALES TO GENERAL CUSTOMERS	550,738	1,217,219	2,400,236	4,534,618	7,858,125
SALES TO OTHER WATER COMPANIES	139,766	255,329	212,790	193,655	148,064
OTHER SALES OF WATER	206,957	233,333	263,428	204,959	195,330
TOTAL SALES OF WATER	51,262,183	55,987,251	54,738,647	55,774,949	54,660,337
AVERAGE CUSTOMERS PER MONTH:					
METERED SALES TO GENERAL CUSTOMERS	344,276	350,785	342,632	327,141	309,101
UNMETERED SALES TO GENERAL CUSTOMERS	1,926	5,527	11,316	23,391	39,840
SALES TO OTHER WATER COMPANIES	5	5	5	5	5
OTHER SALES OF WATER	3,184	3,184	3,361	3,235	3,154
TOTAL CUSTOMERS	349,391	359,501	357,314	353,772	352,100
WATER OPERATING REVENUE RELATIONSHIPS					
METERED GENERAL CUSTOMERS:					
AVG. ANNUAL BILL PER CUSTOMER	$ 373.73	$ 364.27	$ 353.71	$ 343.31	$ 327.27
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	146.29	154.74	151.36	155.41	150.30
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	255.47	235.41	233.69	220.91	217.74
UNMETERED GENERAL CUSTOMERS:					
AVG. ANNUAL BILL PER CUSTOMER	$ 496.62	$ 361.69	$ 234.15	$ 239.29	$ 277.95
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	285.94	220.23	212.10	193.86	197.24
AVG. REVENUE PER T.GALLONS SOLD(CENTS)	173.68	164.23	110.39	123.43	140.92
WATER OPERATION AND MAINTENANCE EXPENSES					
SOURCE OF SUPPLY	$ 3,835,472	$ 4,201,793	$ 3,770,200	$ 3,619,592	$ 3,356,605
POWER AND PUMPING	13,223,086	13,474,913	13,386,642	13,017,362	13,826,931
PURIFICATION	4,807,376	4,714,874	4,403,062	4,221,673	3,703,414
TRANSMISSION AND DISTRIBUTION	17,985,789	17,660,967	15,969,023	13,625,804	11,743,016
CUSTOMERS ACCT'G & COLLECTING	9,049,574	8,666,885	8,394,076	8,108,629	7,827,774
ADMINISTRATIVE & GENERAL	21,926,272	22,381,999	20,036,700	17,843,752	14,979,047
TOTAL WATER O & M EXPENSES	$ 70,827,569	$ 71,101,431	$ 65,959,703	$ 60,436,813	$ 55,436,788

DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM		1989		1988		1987		1986		1985
REVENUES	$	148,889,393	$	148,443,355	$	142,037,824	$	135,610,695	$	127,991,831
SALES (THOUSAND GALLONS)		51,262,183		55,987,251		54,738,647		55,774,949		54,660,237
DOLLAR AMOUNTS										
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$	11,764,817	$	12,305,328	$	11,370,025	$	11,757,511	$	12,674,471
WAGES AND BENEFITS		26,662,374		25,265,092		26,273,715		23,256,113		21,749,076
OTHER OPERATION AND MAINTENANCE EXPENSES		32,400,378		33,531,011		28,315,963		25,422,768		21,013,241
DEPRECIATION AND MAINTENANCE EXPENSES		6,593,638		6,042,310		5,638,196		5,361,865		4,989,292
INCOME TAXES - OPERATING		7,999,279		8,770,894		9,228,058		10,394,797		8,958,836
OTHER TAXES - OPERATING		38,458,918		36,268,967		35,910,061		32,483,514		33,330,893
INTEREST CHARGES*		11,629,217		10,980,989		9,722,908		10,360,331		10,960,576
PREFERRED DIVIDENDS*		1,530,286		1,285,949		1,072,672		1,087,242		1,081,424
EARNINGS AVAILABLE FOR COMMON EQUITY		11,850,474		13,992,815		14,506,224		15,486,553		13,234,018
TOTAL	$	148,889,393	$	148,443,355	$	142,037,824	$	135,610,695	$	127,991,831
PERCENT OF REVENUES										
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS		7.9		8.3		8.0		8.7		9.9
WAGES AND BENEFITS		17.9		17.0		18.5		17.1		17.0
OTHER OPERATION AND MAINTENANCE EXPENSES		21.8		22.6		19.9		18.7		16.4
DEPRECIATION AND AMORTIZATION EXPENSES		4.4		4.1		4.0		4.0		3.9
INCOME TAXES - OPERATING		5.4		5.9		6.5		7.7		7.0
OTHER TAXES - OPERATING		25.8		24.4		25.3		24.0		26.0
INTEREST CHARGES*		7.8		7.4		6.8		7.6		8.6
PREFERRED DIVIDENDS*		1.0		0.9		0.8		0.8		0.8
EARNINGS AVAILABLE FOR COMMON EQUITY		8.0		9.4		10.2		11.4		10.3
TOTAL		100.0		100.0		100.0		100.0		100.0
CENTS PER THOUSAND GALLONS SOLD										
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS		22.95		21.98		20.77		21.08		23.19
WAGES AND BENEFITS		52.01		45.13		48.00		41.70		39.79
OTHER OPERATION AND MAINTENANCE EXPENSES		63.21		59.89		51.73		45.58		38.44
DEPRECIATION AND AMORTIZATION EXPENSES		12.86		10.79		10.30		9.61		9.13
INCOME TAXES - OPERATING		15.60		15.67		16.86		18.64		16.39
OTHER TAXES - OPERATING		75.02		64.78		65.60		58.24		60.98
INTEREST CHARGES*		22.69		19.61		17.76		18.58		20.05
PREFERRED DIVIDENDS*		2.99		2.30		1.96		1.95		1.98
EARNINGS AVAILABLE FOR COMMON EQUITY		23.12		24.99		26.50		27.77		24.21
TOTAL		290.45		265.14		259.48		243.14		234.16

*NET OF AFC

SECTION 1

ELECTRIC SERVICE COMPANIES

Balance Sheet

Asset Side

Liability Side

Statement of Cash Flows

Income Statement

Statement of Revenue Plant and Operation and Maintenance

Distribution of Revenues

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 1,021,968,727	$ 996,696,657	$ 966,123,066	$ 1,074,583,770	$ 944,031,368
2	ACCUM. PROV. FOR DEPR. AND AMORT	274,518,910	242,876,074	219,009,932	212,601,068	202,685,118
3	NET ELECTRIC UTILITY PLANT	747,449,817	753,820,583	747,113,134	861,982,702	741,346,250
4	OTHER UTILITY PLANT	151,431,981	138,807,103	127,387,947	117,911,931	109,736,366
5	ACCUM. PROV. FOR DEPR. AND AMORT	51,077,304	47,724,223	44,385,867	40,566,439	38,193,088
6	NET OTHER UTILITY PLANT	100,354,677	91,082,880	83,002,080	77,345,492	71,543,278
7	TOTAL UTILITY PLANT	1,173,400,708	1,135,503,760	1,093,511,013	1,192,495,701	1,053,767,734
8	ACCUM. PROV. FOR DEPR. AND AMORT.	325,596,214	290,600,297	263,395,799	253,167,507	240,878,206
9	NET TOTAL UTILITY PLANT	847,804,494	844,903,463	830,115,214	939,328,194	812,889,528
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT	963,978	965,605	967,232	968,859	1,409,005
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	3,965,500	3,608,571	2,787,124	2,990,239	2,153,523
13	OTHER INVESTMENTS	2,403,865	2,334,985	2,337,807	2,330,657	39,159
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	7,333,343	6,909,161	6,092,163	6,289,755	3,601,687
16	CASH	3,396,686	2,783,236	1,547,977	1,512,924	1,462,371
17	SPECIAL DEPOSITS	83,253	142,614	4,487,969	19,637,337	53,391,410
18	WORKING FUNDS	442,280	609,845	237,623	176,705	190,784
19	TEMPORARY CASH INVESTMENTS	9,000,000	20,108,500	420,000	6,412,500	14,350,000
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	41,398,093	18,818,001	44,571,751	61,270,244	44,835,751
21	RECEIVABLES FROM ASSOCIATED COMPANIES	504,095	23,704	1,537	-	-
22	MATERIALS AND SUPPLIES	24,547,794	24,690,780	20,558,969	21,128,628	23,853,891
23	PREPAYMENTS	10,190,312	8,776,176	7,690,373	8,119,228	6,523,634
24	OTHER CURRENT AND ACCRUED ASSETS	14,213,233	9,448,771	2,466,371	10,869,097	11,883,033
25	TOTAL CURRENT AND ACCRUED ASSETS	103,775,746	85,401,627	81,982,570	129,126,663	156,490,874
26	UNAMORTIZED DEBT EXPENSE	9,286,905	9,103,809	9,696,638	9,973,483	5,674,162
27	EXTRAORDINARY PROPERTY LOSSES	-	-	761,600	9,631,234	15,451,877
28	PREL. SURVEY & INVESTIGATION CHARGES	169,412	297,581	265,252	90,773	79,601
29	CLEARING ACCOUNTS	205,768	245,419	230,589	307,238	320,958
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	310,481-	10,828-	294,293-	68,866-	627,361-
32	ACCUMULATED DEFERRED INCOME TAXES	39,735,200	39,082,900	38,870,000	6,444,500	1,813,800
33	OTHER DEFERRED DEBITS	99,439,141	93,437,844	95,521,011	63,019,718	44,642,413
34	TOTAL DEFERRED DEBITS	148,525,945	142,156,725	145,050,797	89,398,080	67,355,450
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,107,439,528	$ 1,079,370,976	$ 1,063,240,744	$ 1,164,142,692	$ 1,040,337,539
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	$ 45,519	$ 45,519	$ 45,519	$ 45,519	$ 45,519
	PRODUCTION PLANT:					
37	STEAM	328,500,381	324,991,500	322,791,105	210,346,601	209,224,070
38	NUCLEAR	505,603,725	295,927,898	-	-	-
39	HYDRAULIC	17,811,446	17,744,827	16,407,586	15,765,223	10,625,021
40	OTHER	3,442,928	3,442,928	3,442,928	3,442,928	3,442,928
41	TRANSMISSION PLANT	89,076,490	86,650,336	75,437,400	67,887,909	67,549,254
42	DISTRIBUTION PLANT	246,089,002	231,911,614	217,425,932	207,184,831	196,740,080
43	GENERAL PLANT	207,216,692-	1,261,264	981,668	548,946	527,879
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	19,230,588	16,689,230	15,512,326	13,919,310	12,649,267
47	TOTAL ELECTRIC PLANT IN SERVICE	1,002,583,387	978,665,116	652,044,464	519,141,267	500,804,018
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	125,978	125,978	125,978	3,724,280	5,400,449
50	CONSTRUCTION WORK IN PROGRESS	19,259,362	17,905,563	313,952,624	551,718,223	437,826,899
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	1,021,968,727	996,696,657	966,123,066	1,074,583,770	944,031,368
53	ACCUM. PROV. FOR DEPR. AND AMORT	274,518,910	242,876,074	219,009,932	212,601,068	202,685,118
54	NET ELECTRIC UTILITY PLANT	747,449,817	753,820,583	747,113,134	861,982,702	741,346,250
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	978,665,116	652,044,464	519,141,267	500,804,020	481,789,019
56	ADDITIONS	26,868,485	330,802,804	138,462,223	21,164,515	22,219,853
57	RETIREMENTS	2,938,032	4,182,152	8,812,469	2,866,762	3,067,456
58	TRANSFERS AND ADJUSTMENTS	12,182-	-	3,253,443	39,494	137,396-
59	END OF YEAR	$ 1,002,583,387	$ 978,665,116	$ 652,044,464	$ 519,141,267	$ 500,804,020

*EXCLUDES ALLOCATION OF COMMON PLANT

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

LIABILITIES AND OTHER CREDITS

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMMON STOCK ISSUED	$ 73,706,740	$ 240,033,927	$ 236,079,253	$ 279,684,680	$ 214,464,067	1
PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	2,381,901	66,780	66,780	66,780	66,780	5
OTHER PAID-IN CAPITAL	217,973,476	50,000,000	50,000,000	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	5,677,350-	5,561,190-	5,435,621-	4,624,918-	4,302,983-	8
RETAINED EARNINGS	31,030,407	23,793,128	11,414,832	164,414,239	145,374,845	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,293,633	936,702	115,255	318,370	481,654	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	401,738,807	390,299,347	373,270,499	520,889,351	437,114,363	12
BONDS (LESS BONDS REACQUIRED)	291,200,000	291,200,000	292,500,000	327,400,000	332,400,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	152,222,750	152,305,000	155,925,000	112,500,000	112,675,000	15
NET UNAMORTIZED PREMIUM + DISCOUNT	209,335-	252,331-	292,199-	399,488-	537,038-	16
TOTAL LONG-TERM DEBT	443,213,415	443,252,669	448,132,801	439,500,512	444,537,962	17
NOTES PAYABLE	-	-	4,000,000	-	-	18
ACCOUNTS PAYABLE	25,602,581	23,723,302	22,437,348	27,233,558	22,258,926	19
PAYABLES TO ASSOCIATED COMPANIES	617,839	883,450	-	-	-	20
CUSTOMER DEPOSITS	3,416,394	3,496,802	2,890,296	2,808,722	2,688,436	21
TAXES ACCRUED	4,816,490	3,717,506	11,817,829	4,965,968	5,018,646	22
INTEREST ACCRUED	7,926,939	7,811,745	7,525,559	8,055,053	8,884,918	23
DIVIDENDS DECLARED	7,885,784	7,849,479	7,570,402	11,793,920	10,456,918	24
TAX COLLECTIONS PAYABLE	1,096,873	632,851	583,119	587,318	652,195	25
OTHER CURRENT AND ACCRUED LIABILITIES	12,944,570	13,013,417	25,131,638	12,720,852	7,205,101	26
TOTAL CURRENT AND ACCRUED LIABILITIES	64,307,470	61,128,552	81,956,191	68,165,391	57,165,140	27
CUSTOMER ADVANCES FOR CONSTRUCTION	1,270,062	1,252,328	1,008,631	699,689	694,970	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	37,821,900	39,021,900	31,119,700	34,129,000	35,438,000	30
OTHER DEFERRED CREDITS	74,032,046	73,207,770	73,294,529	56,474,666	27,826,565	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	65,886,900	52,427,700	34,554,500	23,527,300	19,774,600	33
OTHER	17,701,000	16,997,500	17,962,350	18,794,300	16,097,900	34
TOTAL DEFERRED CREDITS	196,711,908	182,907,198	157,939,710	133,624,955	99,832,035	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVE	1,467,928	1,783,210	1,941,543	1,962,483	1,688,039	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	1,467,928	1,783,210	1,941,543	1,962,483	1,688,039	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,107,439,528	$ 1,079,370,976	$ 1,063,240,744	$ 1,164,142,692	$ 1,040,337,539	41

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985	LINE NO.
CURRENT ASSETS / BY CURRENT LIABILITIES	1.61	1.40	1.00	1.89	2.74	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	52.4	53.1	54.5	45.7	50.4	43
PREFERRED STOCK	9.5	9.7	9.8	8.4	9.1	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	34.2	34.2	34.1	28.6	23.8	45
RETAINED EARNINGS	3.6	2.8	1.3	17.1	16.4	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	37.7	39.0	40.9	36.8	42.1	47
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	27.7	25.5	24.0	21.2	22.8	48

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Statement of Cash Flows
Central Hudson Gas & Electric Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$39,117,493	$43,803,858
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	40,306,159	35,421,787
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(24,318,876)	16,937,138
4	Deferred Taxes & ITCs	12,310,400	29,703,400
5	Current Income Taxes & Other Taxes Payable	1,098,984	(8,100,323)
6	Interest Payable	115,194	286,186
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(463,199)	(402,389)
9	Other Adjustments	(8,407,671)	(14,361,901)
10	Total Adjustments	20,640,991	59,483,898
11	Net Cash From Operating Activities	59,758,484	103,287,756
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(42,087,057)	(53,069,206)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(356,930)	(821,447)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		—
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(369,294)	4,082,809
22	Net Cash From Investing Activities	(42,813,281)	(49,807,844)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(82,250)	(4,920,000)
24	Common Stock	3,961,410	3,954,674
25	Preferred Stock		
26	Short-term Debt		(4,000,000)
27	Dividends Paid	(31,486,978)	(30,325,038)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		3,106,433
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(27,607,818)	(32,183,931)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(10,662,615)	21,295,981
32	Cash & Cash Equivalents At Beginning Of Year	23,501,581	2,205,600
33	Cash & Cash Equivalents At End Of Year	$12,838,966	$23,501,581

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 403,234,876	$ 379,248,904	$ 374,950,612	$ 377,102,886	$ 436,652,041	1
OPERATION AND MAINTENANCE EXPENSE	234,890,226	211,861,208	206,180,751	216,407,796	282,368,978	2
DEPRECIATION EXPENSE	26,731,795	23,853,843	17,417,231	16,749,685	16,106,142	3
AMORTIZATION	6,103,235	5,781,456	8,600,176	6,125,208	5,148,866	4
TAXES OTHER THAN INCOME TAXES	44,771,032	41,663,203	38,364,987	36,557,696	35,668,834	5
INCOME TAXES	10,097,000	4,380,000	13,975,000	28,318,000	25,450,000	6
PROVISION FOR DEFERRED INCOME TAXES	16,812,300	29,858,900	20,326,200	15,829,000	13,696,100	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	7,129,300-	13,759,800-	7,157,700-	7,881,700-	4,737,400-	8
MISC. ADJUSTMENTS OF INCOME TAXES	954,000-	397,500-	1,718,400	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	331,322,288	303,241,310	299,425,045	312,105,685	373,701,520	12
NET OPERATING REVENUES	71,912,588	76,007,594	75,525,567	64,997,201	62,950,521	13
INC.- LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	71,912,588	76,007,594	75,525,567	64,997,201	62,950,521	15
OTHER UTILITY OPERATING INCOME	4,634,083	4,587,337	4,985,314	6,726,048	6,408,012	16
TOTAL UTILITY OPERATING INCOME	76,546,671	80,594,931	80,510,881	71,723,249	69,358,533	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	24,065	14,684	12,018-	8,412	3,464-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	6,773	6,773	6,773	29,502	188-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	356,931	821,447	203,115-	163,284-	80,203-	21
INTEREST AND DIVIDEND INCOME	1,769,887	804,769	741,086	1,511,317	739,952	22
ALLOWANCE FOR CONSTRUCTION FUNDS	892,482	993,727	4,976,025	31,724,945	26,432,772	23
MISCELLANEOUS NONOPERATING INCOME	2,768,968	2,438,267	2,349,447	319,112-	762,778-	24
GAIN ON DISPOSITION OF PROPERTY	27,922	20,511	11,636	3,688	720	25
TOTAL OTHER INCOME	5,847,028	5,100,178	7,869,834	32,795,468	26,326,811	26
TOTAL INCOME	82,393,699	85,695,109	88,380,715	104,518,717	95,685,344	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	68,704	57,335	40,566	36,674	17,235	28
INCOME TAXES-NONOPERATING	910,100-	703,100-	12,884,500-	6,690,300-	6,570,300-	29
LOSS ON DISPOSITION OF PROPERTY	9,328	17,738	64,897,765	-	28,777	30
MISCELLANEOUS AMORTIZATION	299,728	125,149	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,157,970	1,167,119	631,651	662,736	452,117	32
TOTAL INCOME DEDUCTIONS	625,630	664,241	52,685,482	5,990,890-	6,072,171-	33
INCOME BEFORE INTEREST CHARGES	81,768,069	85,030,868	35,695,233	110,509,607	101,757,515	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	40,241,474	37,889,111	40,630,881	43,330,897	40,420,583	35
AMORT. OF DEBT DISCOUNT & EXPENSE	1,074,568	1,060,336	1,080,170	681,509	432,521	36
AMORT. OF PREMIUM ON DEBT-CREDIT	15,852-	18,980-	24,192-	24,198-	24,192-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,350,386	2,296,543	2,477,794	1,636,966	1,256,280	39
TOTAL INTEREST CHARGES	42,650,576	41,227,010	44,164,653	45,625,174	42,085,192	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,117,493	43,803,858	8,469,420-	64,884,433	59,672,323	41
EXTRAORDINARY ITEMS - NET	-	-	101,475,000-	-	-	42
NET INCOME	$ 39,117,493	$ 43,803,858	$ 109,944,420-	$ 64,884,433	$ 59,672,323	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 23,793,128	$ 11,414,832	$ 164,414,239	$ 145,374,845	$ 125,751,423	44
TRANSFERRED FROM INCOME	38,760,562	42,982,411	109,741,305-	65,047,717	59,752,526	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	5,698,364	5,752,365	5,592,366	5,614,366	6,184,367	47
-COMMON STOCK	25,824,919	24,851,750	37,665,736	40,393,957	33,944,737	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	31,030,407	23,793,128	11,414,832	164,414,239	145,374,845	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	1,293,633	936,702	115,255	318,370	481,654	52
TOTAL END OF YEAR	$ 32,324,040	$ 24,729,830	$ 11,530,087	$ 164,732,609	$ 145,856,499	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	85.7	86.5	87.3	85.9	86.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	9.9	25.5-	14.7	11.8	55
PRETAX COVERAGE OF INTEREST CHARGES	2.4	2.6	1.2	3.1	3.2	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	77.2	65.3	-	68.1	63.4	57
RETURN ON COMMON EQUITY	10.6	12.6	-	14.8	16.1	58

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CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 148,076,749	$ 146,055,484	$ 143,226,635	$ 139,415,668	$ 144,494,036
2	COMMERCIAL AND INDUSTRIAL	189,717,850	181,834,188	188,495,565	184,621,003	205,845,678
3	PUBLIC STREET AND HIGHWAY LIGHTING	2,962,757	2,924,687	3,044,402	3,013,222	3,169,826
4	OTHER PUBLIC AUTHORITIES	22,360,419	21,690,196	21,996,523	22,182,024	26,628,809
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	28,035	24,953	40,405	47,372	46,564
7	TOTAL REVENUES - ULTIMATE CONSUMERS	363,145,810	352,529,508	356,803,530	349,279,289	380,184,913
8	RESALE	31,564,249	18,072,788	15,887,643	26,414,776	50,378,618
9	TOTAL REVENUES FROM ELECTRIC SALES	394,710,059	370,602,296	372,691,173	375,694,065	430,563,531
10	OTHER ELECTRIC OPERATING REVENUES	8,524,817	8,646,608	2,259,439	1,408,821	6,088,510
11	TOTAL ELECTRIC OPERATING REVENUES	$ 403,234,876	$ 379,248,904	$ 374,950,612	$ 377,102,886	$ 436,652,041
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	1,509,139	1,498,732	1,394,132	1,311,220	1,236,400
13	COMMERCIAL AND INDUSTRIAL	2,920,138	2,779,590	2,669,285	2,561,710	2,357,312
14	PUBLIC STREET AND HIGHWAY LIGHTING	23,946	23,912	23,920	24,258	24,626
15	OTHER PUBLIC AUTHORITIES	291,711	280,346	265,970	259,962	277,794
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	1,281	1,208	1,596	1,544	1,104
18	TOTAL SALES TO ULTIMATE CONSUMERS	4,746,215	4,583,788	4,354,903	4,158,693	3,897,236
19	SALES: NY POWER ATH. CUSTOMERS	-	-	-	-	-
20	MUNICIPAL DIST. AGENCY SALES	-	-	-	-	-
21	TOTAL SALES - FRANCHISE AREA	4,746,215	4,583,787	4,354,902	4,158,693	3,897,236
22	RESALE	878,581	633,354	531,430	795,033	1,103,376
23	TOTAL KILOWATT-HOUR SALES	5,624,796	5,217,141	4,886,333	4,953,726	5,000,612
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	215,232	212,292	206,900	201,977	197,687
25	COMMERCIAL AND INDUSTRIAL	30,200	28,937	28,058	27,161	26,236
26	PUBLIC STREET AND HIGHWAY LIGHTING	194	192	193	192	191
27	OTHER PUBLIC AUTHORITIES	2,780	2,743	2,692	2,607	2,453
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	1	1	1	1	1
30	TOTAL ULTIMATE CONSUMERS	248,407	244,165	237,844	231,938	226,568
31	RESALE	9	5	4	4	5
32	TOTAL CUSTOMERS	248,416	244,170	237,848	231,942	226,573
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 687.99	$ 687.99	$ 692.25	$ 690.26	$ 730.92
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	7,012	7,060	6,738	6,492	6,254
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	9.81	9.75	10.27	10.63	11.69
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,282.05	$ 6,283.80	$ 6,718.07	$ 6,797.28	$ 7,845.92
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	96,693	96,057	95,135	94,316	89,850
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	6.50	6.54	7.06	7.21	8.73
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 124,246,302	$ 108,185,429	$ 102,021,321	$ 109,139,198	$ 167,593,770
40	OTHER	16,370,992	16,895,292	14,250,904	15,371,039	12,334,000
41	TOTAL STEAM POWER EXPENSES	140,617,294	125,080,721	116,272,225	124,510,237	179,927,770
	NUCLEAR POWER					
42	FUEL	4,700,599	2,962,823	-	-	-
43	OTHER	8,462,372	5,241,507	-	-	-
44	TOTAL NUCLEAR POWER EXPENSES	13,162,971	8,204,330	-	-	-
	HYDRAULIC POWER					
45	WATER FOR POWER	126,709	312,486	972,748	997,095	422,748
46	OTHER	620,245	782,953	951,885	1,027,199	820,971
47	TOTAL HYDRAULIC POWER EXPENSES	746,954	1,095,439	1,924,633	2,024,294	1,243,719
	OTHER POWER GENERATION					
48	FUEL	1,004,003	417,613	234,877	121,635	171,119
49	OTHER	109,543	106,311	114,679	212,036	179,436
50	TOTAL OTHER POWER GENERATION EXPENSE	1,113,546	523,924	349,556	333,671	350,555
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	13,299,646	10,037,193	29,628,925	33,800,510	50,538,138
52	OTHER	2,000,729	4,169,462	2,708,888	1,663,239	1,501,903
53	TOTAL OTHER POWER SUPPLY EXPENSES	15,300,375	14,206,655	32,337,813	35,463,749	52,040,041
54	TOTAL POWER PRODUCTION EXPENSES	170,941,140	149,111,069	150,884,227	162,331,951	233,562,085
55	TRANSMISSION EXPENSES	6,077,796	5,996,603	3,904,692	4,972,155	3,923,975
56	DISTRIBUTION EXPENSES	13,752,752	13,896,423	14,955,994	12,658,268	12,257,243
57	CUSTOMER ACCOUNTS EXPENSES	9,303,875	10,370,058	7,877,371	7,283,858	7,182,664
58	SALES EXPENSES	4,014,210	3,797,954	3,064,813	1,929,561	1,348,634
59	ADMINISTRATIVE AND GENERAL	30,800,453	28,689,101	25,493,654	27,232,003	24,094,377
60	TOTAL O & M EXPENSES	$ 234,890,226	$ 211,861,208	$ 206,180,751	$ 216,407,796	$ 282,368,978

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 371,670,627	$ 361,176,116	$ 359,062,969	$ 350,688,110	$ 386,273,423	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	4,746,215	4,583,787	4,354,902	4,158,693	3,897,236	2
	DOLLAR AMOUNTS					
FUEL AND PURCHASED POWER	$ 122,318,468	$ 107,739,453	$ 118,673,617	$ 121,768,431	$ 169,727,054	3
WAGES AND BENEFITS	43,828,239	42,368,437	39,337,565	37,393,631	35,043,059	4
OTHER OPERATION AND MAINTENANCE EXPENSES	46,806,147	46,943,873	33,453,885	34,160,694	27,496,768	5
DEPRECIATION AND AMORTIZATION EXPENSES	32,835,030	29,635,299	26,017,407	22,874,893	21,255,008	6
INCOME TAXES - OPERATING	18,826,000	20,081,600	28,861,900	36,265,300	34,408,700	7
OTHER TAXES - OPERATING	44,771,032	41,663,203	38,364,987	36,557,696	35,668,834	8
*INTEREST CHARGES **	39,527,190	37,728,243	40,494,848	22,822,331	22,537,497	9
*PREFERRED DIVIDENDS **	5,206,782	5,309,555	5,072,943	3,468,370	3,933,000	10
EARNINGS AVAILABLE FOR COMMON EQUITY	17,551,738	29,706,453	28,785,818	35,376,764	36,203,503	11
TOTAL	$ 371,670,627	$ 361,176,116	$ 359,062,969	$ 350,688,110	$ 386,273,423	12
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
FUEL AND PURCHASED POWER	32.9	29.8	33.1	34.7	43.9	13
WAGES AND BENEFITS	11.8	11.7	11.0	10.7	9.1	14
OTHER OPERATION AND MAINTENANCE EXPENSES	12.6	13.0	9.3	9.7	7.1	15
DEPRECIATION AND AMORTIZATION EXPENSES	8.8	8.2	7.2	6.5	5.5	16
INCOME TAXES - OPERATING	5.1	5.6	8.0	10.3	8.9	17
OTHER TAXES - OPERATING	12.0	11.5	10.7	10.4	9.2	18
*INTEREST CHARGES **	10.6	10.4	11.3	6.5	5.8	19
*PREFERRED DIVIDENDS **	1.4	1.5	1.4	1.0	1.0	20
EARNINGS AVAILABLE FOR COMMON EQUITY	4.7	8.2	8.0	10.1	9.4	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
	CENTS PER KWH					
FUEL AND PURCHASED POWER	2.58	2.35	2.70	2.93	4.36	23
WAGES AND BENEFITS	0.92	0.92	0.90	0.90	0.90	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.99	1.02	0.77	0.82	0.71	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.69	0.65	0.60	0.55	0.55	26
INCOME TAXES - OPERATING	0.40	0.44	0.66	0.87	0.88	27
OTHER TAXES - OPERATING	0.94	0.91	0.88	0.88	0.92	28
*INTEREST CHARGES **	0.83	0.82	0.93	0.55	0.58	29
*PREFERRED DIVIDENDS **	0.11	0.12	0.12	0.08	0.10	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.37	0.65	0.66	0.85	0.93	31
TOTAL	7.83	7.88	8.25	8.43	9.91	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	92.47	93.17	93.74	94.96	94.55	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

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CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 9,559,076,671	$ 9,225,300,305	$ 8,844,550,394	$ 8,585,968,122	$ 8,163,699,858
2	ACCUM. PROV. FOR DEPR. AND AMORT.	2,782,464,086	2,662,981,718	2,521,596,519	2,403,741,901	2,262,353,216
3	NET ELECTRIC UTILITY PLANT	6,776,612,585	6,562,318,587	6,322,953,875	6,182,226,221	5,901,346,642
4	OTHER UTILITY PLANT	2,085,431,293	1,916,875,039	1,810,844,672	1,649,762,350	1,524,570,439
5	ACCUM. PROV. FOR DEPR. AND AMORT.	459,444,810	416,533,191	398,345,112	355,448,209	330,142,748
6	NET OTHER UTILITY PLANT	1,625,986,483	1,500,341,848	1,412,499,560	1,294,314,141	1,194,427,691
7	TOTAL UTILITY PLANT	11,644,507,964	11,142,175,344	10,655,395,066	10,235,730,472	9,688,270,297
8	ACCUM. PROV. FOR DEPR. AND AMORT.	3,241,908,896	3,079,514,909	2,919,941,631	2,759,190,110	2,592,495,964
9	NET TOTAL UTILITY PLANT	8,402,599,068	8,062,660,435	7,735,453,435	7,476,540,362	7,095,774,333
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	2,290,889	2,598,785	2,290,523	2,333,133	2,668,546
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	380,762,578	341,520,517	318,878,369	260,641,141	6,380,957
13	OTHER INVESTMENTS	10,085,111	5,269,245	5,322,283	6,483,024	1,192,708
14	SPECIAL FUNDS	33,223,832	2,739,512	1,038,242	711,075	75,728
15	TOTAL OTHER PROPERTY AND INVESTMENTS	426,362,410	352,128,089	327,529,417	270,168,373	10,317,939
16	CASH	15,875,890	21,160,938	11,173,296	16,421,598	14,598,691
17	SPECIAL DEPOSITS	2,156,032	3,879,018	2,264,839	8,944,192	4,497,936
18	WORKING FUNDS	1,074,308	1,550,786	2,420,601	1,607,631	1,049,352
19	TEMPORARY CASH INVESTMENTS	326,894,442	156,437,032	412,827,715	688,130,004	836,760,669
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	498,998,943	370,789,416	357,955,393	343,582,619	403,169,594
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	312,393,063	284,632,355	294,523,945	252,404,136	294,866,183
23	PREPAYMENTS	47,300,164	65,714,984	41,785,726	39,146,662	37,412,031
24	OTHER CURRENT AND ACCRUED ASSETS	36,156,205	33,589,584	32,696,813	27,215,024	32,677,569
25	TOTAL CURRENT AND ACCRUED ASSETS	1,240,849,047	937,754,113	1,155,648,328	1,377,451,866	1,625,032,025
26	UNAMORTIZED DEBT EXPENSE	26,667,024	21,645,535	22,997,983	22,088,351	20,417,887
27	EXTRAORDINARY PROPERTY LOSSES	34,571,946	41,114,152	47,656,359	54,198,565	60,740,772
28	PREL. SURVEY & INVESTIGATION CHARGES	7,393,940	6,370,149	2,730,530	666,974	178,302
29	CLEARING ACCOUNTS	1,260,053	744,797	1,077,694	2,064,954	2,744,174
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	3,255,953-	6,102,985-	6,916,596-	4,947,359-	6,425,459-
32	ACCUMULATED DEFERRED INCOME TAXES	169,855,000	156,056,000	98,193,000	59,662,000	55,947,000
33	OTHER DEFERRED DEBITS	198,181,384	103,911,403	90,932,388	63,989,226	129,722,771
34	TOTAL DEFERRED DEBITS	434,673,394	323,739,051	256,671,358	197,722,711	263,325,447
35	TOTAL ASSETS AND OTHER DEBITS	$ 10,504,483,919	$ 9,676,281,658	$ 9,475,302,538	$ 9,321,883,312	$ 8,994,449,744
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT:					
37	STEAM	1,762,731,568	1,686,748,375	1,621,175,818	1,637,154,474	1,617,590,263
38	NUCLEAR	611,626,587	593,150,257	552,108,231	543,484,605	489,256,227
39	HYDRAULIC	-	-	-	-	-
40	OTHER	239,632,100	242,168,277	231,058,908	235,590,736	154,287,650
41	TRANSMISSION PLANT	1,545,355,966	1,515,815,027	1,471,648,235	1,419,555,873	1,371,270,045
42	DISTRIBUTION PLANT	4,816,024,731	4,583,672,858	4,385,108,525	4,217,758,366	4,055,520,600
43	GENERAL PLANT	-	-	-	-	-
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	366,750,955	355,320,735	321,737,647	293,882,991	284,759,447
47	TOTAL ELECTRIC PLANT IN SERVICE	9,342,121,907	8,976,875,529	8,582,837,364	8,347,427,045	7,972,684,232
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	23,128,011	22,889,549	7,843,861	7,925,365	8,461,150
50	CONSTRUCTION WORK IN PROGRESS	193,826,753	225,535,227	253,869,169	230,615,712	182,554,476
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	9,559,076,671	9,225,300,305	8,844,550,394	8,585,968,122	8,163,699,858
53	ACCUM. PROV. FOR DEPR. AND AMORT.	2,782,464,086	2,662,981,718	2,521,596,519	2,403,741,901	2,262,353,216
54	NET ELECTRIC UTILITY PLANT	6,776,612,585	6,562,318,587	6,322,953,875	6,182,226,221	5,901,346,642
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	8,976,875,529	8,582,837,364	8,222,197,045	7,972,684,232	7,675,392,430
56	ADDITIONS	468,728,149	542,354,290	376,584,131	324,124,422	430,838,935
57	RETIREMENTS	99,358,028	94,076,624	83,986,180	75,403,201	134,944,472
58	TRANSFERS AND ADJUSTMENTS	4,123,743-	54,239,501-	68,042,368	791,592	1,397,339
59	END OF YEAR	$ 9,342,121,907	$ 8,976,875,529	$ 8,582,837,364	$ 8,222,197,045	$ 7,972,684,232

*EXCLUDES ALLOCATION OF COMMON PLANT

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 570,376,760	$ 569,982,720	$ 569,689,580	$ 592,603,015	$ 604,543,535	1
PREFERRED STOCK ISSUED	650,915,727	644,490,327	647,642,427	650,915,727	655,201,027	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	707,500,461	706,682,433	706,073,844	734,161,657	748,389,113	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	32,252,519-	31,786,529-	31,796,684-	32,736,678-	33,250,913-	8
RETAINED EARNINGS	3,064,866,029	2,926,983,428	2,752,109,428	2,741,176,021	2,632,985,161	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	71,866,372	33,273,311	11,119,162	2,084,601	326,362	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	5,023,384,830	4,849,625,690	4,654,837,757	4,688,204,343	4,608,194,285	12
BONDS (LESS BONDS REACQUIRED)	2,207,889,500	2,212,889,500	2,267,889,500	2,332,889,500	2,407,889,500	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	1,002,847,695	601,623,392	556,218,891	406,319,653	256,415,036	15
NET UNAMORTIZED PREMIUM + DISCOUNT	4,511,437-	569,248	745,655	943,995	1,160,058	16
TOTAL LONG-TERM DEBT	3,206,225,758	2,815,082,140	2,824,854,046	2,740,153,148	2,665,464,594	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	202,251,399	135,439,455	140,886,221	120,197,162	179,180,944	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	122,220,448	122,518,976	131,021,538	126,251,601	116,107,083	21
TAXES ACCRUED	118,162,876	98,278,037	164,830,275	219,788,815	207,761,157	22
INTEREST ACCRUED	70,661,929	57,576,870	57,741,092	55,211,890	56,110,827	23
DIVIDENDS DECLARED	9,283,060	9,347,098	9,405,961	9,468,608	9,474,837	24
TAX COLLECTIONS PAYABLE	24,978,741	23,969,301	21,333,893	20,049,475	24,555,821	25
OTHER CURRENT AND ACCRUED LIABILITIES	247,064,503	219,452,516	218,527,000	214,430,286	185,815,083	26
TOTAL CURRENT AND ACCRUED LIABILITIES	794,622,956	666,582,253	743,745,980	765,397,837	779,005,752	27
CUSTOMER ADVANCES FOR CONSTRUCTION	5,699,711	6,530,956	5,868,437	3,759,874	2,772,657	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	260,470,000	273,050,000	283,889,616	289,918,000	283,158,000	30
OTHER DEFERRED CREDITS	341,808,664	272,307,619	242,556,702	198,921,110	71,265,803	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	298,000	349,000	404,000	463,000	526,000	32
LIBERALIZED DEPRECIATION	787,005,000	734,656,000	660,055,000	592,377,000	510,792,000	33
OTHER	60,269,000	37,898,000	41,291,000	30,589,000	64,146,000	34
TOTAL DEFERRED CREDITS	1,455,550,375	1,324,791,575	1,234,064,755	1,116,027,984	932,660,460	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVE	24,700,000	20,200,000	17,800,000	12,100,000	9,124,653	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	24,700,000	20,200,000	17,800,000	12,100,000	9,124,653	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 10,504,483,919	$ 9,676,281,658	$ 9,475,302,538	$ 9,321,883,312	$ 8,994,449,744	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.56	1.41	1.55	1.80	2.09	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	38.9	36.7	37.7	36.8	36.6	43
PREFERRED STOCK	7.9	8.4	8.6	8.7	9.0	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	15.8	16.6	16.7	17.4	18.1	45
RETAINED EARNINGS	37.2	38.1	36.7	36.9	36.1	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	27.5	25.2	26.5	26.7	27.5	47
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	27.8	27.6	27.4	26.9	26.7	48

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Statement of Cash Flows
Consolidated Edison Company Of New York, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$606,065,000	$599,283,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	324,903,000	308,079,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(49,029,000)	(15,579,000)
4	Deferred Taxes & ITCs	47,960,000	4,350,000
5	Current Income Taxes & Other Taxes Payable	20,894,000	(63,917,000)
6	Interest Payable	9,962,000	2,168,000
7	Equity In Loss (Earnings) Of Affiliates	(38,665,000)	(22,298,000)
8	Capitalized AFDUC - Equity Funds	(9,823,000)	(8,379,000)
9	Other Adjustments	(74,786,000)	29,480,000
10	Total Adjustments	231,416,000	233,904,000
11	Net Cash From Operating Activities	837,481,000	833,187,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(631,602,000)	(620,515,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(577,000)	(344,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(632,179,000)	(620,859,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	391,224,000	(55,106,000)
24	Common Stock		(2,250,000)
25	Preferred Stock	(2,250,000)	
26	Short-term Debt		
27	Dividends Paid	(429,580,000)	(402,245,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(40,606,000)	(459,601,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	164,696,000	(247,273,000)
32	Cash & Cash Equivalents At Beginning Of Year	179,149,000	426,422,000
33	Cash & Cash Equivalents At End Of Year	$343,845,000	$179,149,000

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 4,586,492,364	$ 4,232,022,593	$ 4,198,362,663	$ 4,235,568,344	$ 4,419,118,403	1
OPERATION AND MAINTENANCE EXPENSE	2,391,029,183	2,138,354,707	2,122,962,239	2,129,517,464	2,362,134,796	2
DEPRECIATION EXPENSE	279,835,100	264,022,865	251,686,426	241,739,902	231,332,382	3
AMORTIZATION	6,760,806	7,416,601	7,416,601	7,416,601	7,416,601	4
TAXES OTHER THAN INCOME TAXES	939,246,132	885,034,551	874,238,848	850,730,547	821,408,715	5
INCOME TAXES	212,420,000	249,636,000	277,849,000	340,860,000	317,786,000	6
PROVISION FOR DEFERRED INCOME TAXES	207,240,000	147,780,000	197,602,000	288,208,000	138,855,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	148,133,000-	140,557,000-	166,051,000-	246,207,000-	99,242,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	197,821-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	3,888,398,221	3,551,687,724	3,565,704,114	3,612,265,514	3,779,493,673	12
NET OPERATING REVENUES	698,094,143	680,334,869	632,658,549	623,302,830	639,624,730	13
INC.- LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	698,094,143	680,334,869	632,658,549	623,302,830	639,624,730	15
OTHER UTILITY OPERATING INCOME	85,560,645	92,863,363	91,313,504	86,596,273	75,518,482	16
TOTAL UTILITY OPERATING INCOME	783,654,788	773,198,232	723,972,053	709,899,103	715,143,212	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	27,290-	32	367-	3,004-	4,285-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	312,591	322,361	303,130	302,317	298,368	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	38,665,074	22,298,174	9,139,782	1,991,524	59,883	21
INTEREST AND DIVIDEND INCOME	22,386,436	19,103,273	28,406,721	40,872,954	51,995,182	22
ALLOWANCE FOR CONSTRUCTION FUNDS	13,131,185	12,101,008	15,281,245	10,088,802	10,305,707	23
MISCELLANEOUS NONOPERATING INCOME	513	-	159,261	797,208	25,590	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	74,468,509	53,824,848	53,289,772	54,049,801	62,680,445	26
TOTAL INCOME	858,123,297	827,023,080	777,261,825	763,948,904	777,823,657	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	736,881	593,886	617,463	714,528	1,096,300	28
INCOME TAXES-NONOPERATING	4,360,000	3,560,000	7,560,000	9,940,000	18,860,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	8,093,969	7,969,433	7,725,618	8,271,339	6,013,387	32
TOTAL INCOME DEDUCTIONS	13,190,850	12,123,319	15,903,081	18,925,867	25,969,687	33
INCOME BEFORE INTEREST CHARGES	844,932,447	814,899,761	761,358,744	745,023,037	751,853,970	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	214,866,079	196,792,496	195,214,270	180,836,729	168,121,326	35
AMORT. OF DEBT DISCOUNT & EXPENSE	1,514,340	1,401,326	1,397,619	1,303,502	1,219,284	36
AMORT. OF PREMIUM ON DEBT-CREDIT	162,241-	176,407-	198,340-	216,063-	233,860-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	22,648,840	17,599,658	14,830,954	16,691,574	19,015,974	39
TOTAL INTEREST CHARGES	238,867,018	215,617,073	211,244,503	198,615,742	188,122,724	40
INCOME BEFORE EXTRAORDINARY ITEMS	606,065,429	599,282,688	550,114,241	546,407,295	563,731,246	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 606,065,429	$ 599,282,688	$ 550,114,241	$ 546,407,295	$ 563,731,246	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 2,926,983,428	$ 2,752,109,428	$ 2,741,176,021	$ 2,632,985,161	$ 2,593,797,871	44
TRANSFERRED FROM INCOME	567,472,368	577,128,539	541,079,680	544,649,056	563,651,053	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	37,297,623	37,540,709	37,778,527	38,051,666	38,352,979	47
-COMMON STOCK	392,281,989	364,703,676	343,452,815	319,693,864	296,922,029	48
ADJUSTMENTS	10,155-	10,154-	148,914,931-	78,712,666-	189,188,755-	49
BALANCE END OF YEAR	3,064,866,029	2,926,983,428	2,752,109,428	2,741,176,021	2,632,985,161	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	71,866,372	33,273,311	11,119,162	2,084,601	326,362	52
TOTAL END OF YEAR	$ 3,136,732,401	$ 2,960,256,739	$ 2,763,228,590	$ 2,743,260,622	$ 2,633,311,523	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	82.4	82.6	82.2	81.2	80.1	54
NET INCOME-PERCENT OF OPERATING REVENUES	10.8	11.7	10.7	10.4	10.2	55
PRETAX COVERAGE OF INTEREST CHARGES	4.8	5.1	5.3	6.0	6.2	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	68.9	64.9	67.0	62.8	56.5	57
RETURN ON COMMON EQUITY	13.2	13.6	12.7	12.7	13.1	58

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 1,341,621,905	$ 1,264,728,307	$ 1,216,343,108	$ 1,207,580,498	$ 1,280,757,722
2	COMMERCIAL AND INDUSTRIAL	2,746,533,237	2,602,639,866	2,561,135,038	2,615,293,413	2,759,721,459
3	PUBLIC STREET AND HIGHWAY LIGHTING	648,706	647,742	612,386	550,114	598,798
4	OTHER PUBLIC AUTHORITIES	46,806,049	43,053,129	42,556,936	43,006,372	43,511,614
5	RAILROADS AND RAILWAYS	2,713,471	6,587,387	6,623,455	5,647,906	6,993,059
6	INTERDEPARTMENTAL	-	-	-	-	-
7	TOTAL REVENUES - ULTIMATE CONSUMERS	4,138,323,368	3,917,656,431	3,827,270,921	3,872,078,303	4,091,582,652
8	RESALE	146,709,727	97,150,381	76,866,708	55,305,182	105,768,909
9	TOTAL REVENUES FROM ELECTRIC SALES	4,285,033,095	4,014,806,812	3,904,137,629	3,927,383,485	4,197,351,561
10	OTHER ELECTRIC OPERATING REVENUES	301,459,269	217,215,781	294,225,034	308,184,859	221,766,842
11	TOTAL ELECTRIC OPERATING REVENUES	$ 4,586,492,364	$ 4,232,022,593	$ 4,198,362,663	$ 4,235,568,344	$ 4,419,118,403
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	9,699,144	9,291,713	8,608,841	8,128,076	8,096,945
13	COMMERCIAL AND INDUSTRIAL	24,709,127	23,946,874	22,498,947	21,574,291	21,014,951
14	PUBLIC STREET AND HIGHWAY LIGHTING	5,622	5,686	5,246	4,458	4,559
15	OTHER PUBLIC AUTHORITIES	485,492	454,651	427,312	407,688	395,155
16	RAILROADS AND RAILWAYS	35,226	69,999	67,576	52,826	56,478
17	INTERDEPARTMENTAL	-	-	-	-	-
18	TOTAL SALES TO ULTIMATE CONSUMERS	34,934,610	33,768,922	31,607,921	30,167,339	29,568,087
19	SALES NY POWER ATH. CUSTOMERS	8,138	7,831,495	7,574,894	7,265,942	6,872,651
20	MUNICIPAL DIST. AGENCY SALES	113	602,102	1,291,725	1,171,894	407,726
21	TOTAL SALES - FRANCHISE AREA	34,942,862	42,202,520	40,474,540	38,605,174	36,848,464
22	RESALE	2,417,683	2,475,506	2,015,999	1,623,411	2,605,674
23	TOTAL KILOWATT-HOUR SALES	37,360,545	44,678,026	42,490,539	40,228,585	39,454,138
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	2,503,820	2,489,544	2,475,525	2,461,813	2,448,961
25	COMMERCIAL AND INDUSTRIAL	403,565	393,042	381,812	367,627	356,196
26	PUBLIC STREET AND HIGHWAY LIGHTING	303	269	234	199	166
27	OTHER PUBLIC AUTHORITIES	1,068	1,097	1,423	1,306	999
28	RAILROADS AND RAILWAYS	4	4	4	4	4
29	INTERDEPARTMENTAL	-	-	-	-	-
30	TOTAL ULTIMATE CONSUMERS	2,908,760	2,883,956	2,858,998	2,830,949	2,806,326
31	RESALE	4	4	4	4	4
32	TOTAL CUSTOMERS	2,908,764	2,883,960	2,859,002	2,830,953	2,806,330
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 535.83	$ 508.02	$ 491.35	$ 490.52	$ 522.98
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	3,874	3 732	3,478	3,302	3,306
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	13.83	13.61	14.13	14.86	15.82
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,805.68	$ 6,621.79	$ 6,707.84	$ 7,113.99	$ 7,747.76
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	61,227	60,927	58,927	58,685	58,998
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	11.12	10.87	11.38	12.12	13.13
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 758,615,875	$ 609,818,060	$ 603,665,595	$ 575,369,056	$ 789,215,225
40	OTHER	213,310,079	229,455,300	222,178,195	191,993,614	203,041,210
41	TOTAL STEAM POWER EXPENSES	971,925,954	839,273,360	825,843,790	767,362,670	992,256,435
	NUCLEAR POWER					
42	FUEL	8,456,913	44,952,279	15,953,382	26,326,305	57,980,935
43	OTHER	133,598,300	79,588,054	112,119,186	89,014,675	58,850,521
44	TOTAL NUCLEAR POWER EXPENSES	142,055,213	124,540,333	128,072,568	115,340,980	116,831,456
	HYDRAULIC POWER					
45	WATER FOR POWER	-	-	-	-	-
46	OTHER	-	-	-	-	-
47	TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-
	OTHER POWER GENERATION					
48	FUEL	57,560,735	27,114,201	20,054,703	16,847,470	14,052,096
49	OTHER	25,967,482	30,141,784	30,730,152	27,615,218	26,729,013
50	TOTAL OTHER POWER GENERATION EXPENSE	83,528,217	57,255,985	50,784,855	44,462,688	40,781,109
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	379,633,780	334,728,111	384,598,920	438,101,205	461,938,066
52	OTHER	9,739,605	9,358,759	9,701,580	8,999,948	8,391,584
53	TOTAL OTHER POWER SUPPLY EXPENSES	389,373,385	344,086,870	394,300,500	447,101,153	470,329,650
54	TOTAL POWER PRODUCTION EXPENSES	1,586,882,769	1,365,156,548	1,399,001,713	1,374,267,491	1,620,198,650
55	TRANSMISSION EXPENSES	82,481,686	81,013,085	81,622,402	81,596,109	82,048,620
56	DISTRIBUTION EXPENSES	251,974,659	243,879,000	229,258,682	220,129,897	211,858,082
57	CUSTOMER ACCOUNTS EXPENSES	141,841,030	134,994,354	135,288,837	140,260,484	143,187,430
58	SALES EXPENSES	11,249,874	22,227,368	6,828,613	7,635,240	6,537,010
59	ADMINISTRATIVE AND GENERAL	316,599,165	291,084,352	270,961,992	305,628,243	298,305,004
60	TOTAL O & M EXPENSES	$ 2,391,029,183	$ 2,138,354,707	$ 2,122,962,239	$ 2,129,517,464	$ 2,362,134,796

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 4,252,076,299	$ 3,902,745,662	$ 3,833,297,489	$ 3,895,687,857	$ 4,106,626,694	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	34,934,609	33,768,922	31,607,921	30,167,338	29,568,087	2
DOLLAR AMOUNTS						
FUEL AND PURCHASED POWER	$ 1,130,774,628	$ 948,029,868	$ 957,644,653	$ 1,003,438,617	$ 1,195,117,445	3
WAGES AND BENEFITS	648,865,675	614,881,119	586,999,248	614,112,984	621,242,119	4
OTHER OPERATION AND MAINTENANCE EXPENSES	468,295,574	422,859,126	409,777,263	361,176,020	346,211,759	5
DEPRECIATION AND AMORTIZATION EXPENSES	270,338,506	251,668,075	235,501,066	226,837,427	222,921,149	6
INCOME TAXES - OPERATING	256,124,396	238,149,636	281,216,436	348,564,871	333,705,278	7
OTHER TAXES - OPERATING	885,966,584	820,569,480	794,603,533	774,523,347	766,953,528	8
*INTEREST CHARGES **	192,105,427	164,766,603	165,637,119	156,068,081	152,185,926	9
*PREFERRED DIVIDENDS **	29,878,046	28,652,728	29,171,809	29,846,465	30,889,533	10
EARNINGS AVAILABLE FOR COMMON EQUITY	369,727,463	413,169,026	372,746,362	381,120,046	437,399,955	11
TOTAL	$ 4,252,076,299	$ 3,902,745,662	$ 3,833,297,489	$ 3,895,687,857	$ 4,106,626,694	12
PERCENT OF REVENUES - ULTIMATE CONSUMERS						
FUEL AND PURCHASED POWER	26.6	24.3	25.0	25.8	29.1	13
WAGES AND BENEFITS	15.3	15.8	15.3	15.8	15.1	14
OTHER OPERATION AND MAINTENANCE EXPENSES	11.0	10.8	10.7	9.3	8.4	15
DEPRECIATION AND AMORTIZATION EXPENSES	6.4	6.4	6.1	5.8	5.4	16
INCOME TAXES - OPERATING	6.0	6.1	7.3	8.9	8.1	17
OTHER TAXES - OPERATING	20.8	21.0	20.7	19.9	18.7	18
*INTEREST CHARGES **	4.5	4.2	4.3	4.0	3.7	19
*PREFERRED DIVIDENDS **	0.7	0.7	0.8	0.8	0.8	20
EARNINGS AVAILABLE FOR COMMON EQUITY	8.7	10.6	9.7	9.8	10.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER KWH						
FUEL AND PURCHASED POWER	3.24	2.81	3.03	3.33	4.04	23
WAGES AND BENEFITS	1.86	1.82	1.86	2.04	2.10	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.34	1.25	1.30	1.20	1.17	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.77	0.75	0.75	0.75	0.75	26
INCOME TAXES - OPERATING	0.73	0.71	0.89	1.16	1.13	27
OTHER TAXES - OPERATING	2.54	2.43	2.51	2.57	2.59	28
*INTEREST CHARGES **	0.55	0.49	0.52	0.52	0.51	29
*PREFERRED DIVIDENDS **	0.09	0.08	0.09	0.10	0.10	30
EARNINGS AVAILABLE FOR COMMON EQUITY	1.06	1.22	1.18	1.26	1.48	31
TOTAL	12.17	11.56	12.13	12.91	13.89	32

	1989	1988	1987	1986	1985
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	86.60	86.92	87.07	87.76	87.71

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 3,257,791,714	$ 7,391,876,451	$ 8,690,997,147	$ 8,171,575,805	$ 7,657,368,083
2	ACCUM. PROV. FOR DEPR. AND AMORT.	957,391,476	885,059,886	805,268,066	753,249,741	698,348,824
3	NET ELECTRIC UTILITY PLANT	2,300,400,238	6,506,816,565	7,885,729,081	7,418,326,064	6,959,019,259
4	OTHER UTILITY PLANT	690,005,203	633,556,422	591,492,432	543,740,075	509,870,542
5	ACCUM. PROV. FOR DEPR. AND AMORT.	204,067,837	190,068,928	178,004,163	166,202,515	154,722,264
6	NET OTHER UTILITY PLANT	485,937,366	443,487,494	413,488,269	377,537,560	355,148,278
7	TOTAL UTILITY PLANT	3,947,796,917	8,025,432,873	9,282,489,579	8,715,315,880	8,167,238,625
8	ACCUM. PROV. FOR DEPR. AND AMORT.	1,161,459,313	1,075,128,814	983,272,229	919,452,256	853,071,088
9	NET TOTAL UTILITY PLANT	2,786,337,604	6,950,304,059	8,299,217,350	7,795,863,624	7,314,167,537
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	4,573,107	1,026,985	1,032,561	995,388	1,885,950
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	355,296	333,687	353,948	444,207	519,522
13	OTHER INVESTMENTS	585,009	67,351,837	66,819,347	66,885,216	65,941,156
14	SPECIAL FUNDS	536,072	558,429	558,429	58,428	59,212
15	TOTAL OTHER PROPERTY AND INVESTMENTS	6,049,484	69,270,938	68,764,285	68,383,239	68,405,840
16	CASH	15,734,404	13,477,482	19,818,903	14,227,831	11,829,970
17	SPECIAL DEPOSITS	22,455,184	12,760,118	13,677,593	4,751,280-	74,863,124
18	WORKING FUNDS	228,740	169,800	176,025	176,925	197,580
19	TEMPORARY CASH INVESTMENTS	324,340,979	78,901,539	190,786,000	351,881,000	3,300,000
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	256,559,768	192,441,224	168,083,466	171,466,747	177,601,513
21	RECEIVABLES FROM ASSOCIATED COMPANIES	58,325	116,655	-	1,545-	1,838-
22	MATERIALS AND SUPPLIES	119,008,084	83,577,801	82,325,391	62,716,132	71,197,194
23	PREPAYMENTS	8,321,009	33,676,174	14,035,410	9,238,359	12,047,416
24	OTHER CURRENT AND ACCRUED ASSETS	230,145,009	151,633,711	88,058,936	60,987,367	63,415,219
25	TOTAL CURRENT AND ACCRUED ASSETS	976,851,502	566,754,504	576,961,724	665,941,536	414,450,178
26	UNAMORTIZED DEBT EXPENSE	107,376,239	52,688,648	59,059,186	65,624,119	31,833,338
27	EXTRAORDINARY PROPERTY LOSSES	3,988,344,005	98,615,877	118,484,593	127,590,121	25,537,410
28	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	5,553,108-	3,639,828-	2,106,876	7,472,505-	15,062,718-
32	ACCUMULATED DEFERRED INCOME TAXES	1,016,211,327	525,029,192	127,060,820	65,798,589	26,285,692
33	OTHER DEFERRED DEBITS	398,333,643	67,313,698	47,596,620	61,880,250	88,877,333
34	TOTAL DEFERRED DEBITS	5,504,712,106	740,007,587	354,308,095	313,420,574	157,471,055
35	TOTAL ASSETS AND OTHER DEBITS	$ 9,273,950,696	$ 8,326,337,088	$ 9,299,251,454	$ 8,843,608,973	$ 7,954,494,610
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT:					
37	STEAM	630,824,226	617,872,229	606,066,657	600,989,067	601,815,077
38	NUCLEAR	891,793,537	891,300,201	14,069,919	-	-
39	HYDRAULIC	-	-	-	-	-
40	OTHER	202,993,430	119,936,048	117,951,098	118,010,229	116,980,869
41	TRANSMISSION PLANT	390,995,019	415,780,674	421,491,317	398,390,879	392,160,214
42	DISTRIBUTION PLANT	951,389,624	867,123,241	803,765,365	775,044,985	726,612,448
43	GENERAL PLANT	40,226,983	41,001,501	42,763,163	38,992,926	36,802,122
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	42,743,370	199,379,161	183,739,901	170,520,786	189,625,960
47	TOTAL ELECTRIC PLANT IN SERVICE	3,150,966,189	3,152,393,055	2,189,847,420	2,101,948,872	2,063,996,690
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	16,041,936	17,379,410	17,396,974	17,379,410	8,904,687
50	CONSTRUCTION WORK IN PROGRESS	90,783,585	4,222,103,986	6,483,752,753	6,052,247,523	5,584,466,706
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	3,257,791,714	7,391,876,451	8,690,997,147	8,171,575,805	7,657,368,083
53	ACCUM. PROV. FOR DEPR. AND AMORT.	957,391,476	885,059,886	805,268,066	753,249,741	698,348,824
54	NET ELECTRIC UTILITY PLANT	2,300,400,238	6,506,816,565	7,885,729,081	7,418,326,064	6,959,019,259
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	3,152,393,052	2,189,847,417	2,101,948,872	2,063,996,666	1,988,806,537
56	ADDITIONS	183,150,481	970,751,409	95,839,723	82,413,009	170,484,930
57	RETIREMENTS	20,642,937	8,168,078	7,799,962	4,964,932	4,652,794
58	TRANSFERS AND ADJUSTMENTS	163,934,407-	37,693-	141,213-	39,495,871-	90,641,983-
59	END OF YEAR	$ 3,150,966,193	$ 3,152,393,055	$ 2,189,847,420	$ 2,101,948,872	$ 2,063,996,690

*EXCLUDES ALLOCATION OF COMMON PLANT

LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 556,247,370	$ 555,965,040	$ 555,749,090	$ 555,524,975	$ 555,294,495	1
PREFERRED STOCK ISSUED	710,417,100	754,861,600	754,863,100	754,865,500	754,868,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	991,718,578	997,610,978	997,445,750	997,219,759	996,986,474	5
OTHER PAID-IN CAPITAL	-	3,637,299	3,637,299	3,637,299	3,637,299	6
INSTALLMENTS REC'D ON CAPITAL STOCK	4,711	79,884	96,259	100,886	107,481	7
CAPITAL STOCK EXPENSE	42,916,552-	56,151,152-	56,143,605-	56,138,161-	56,116,102-	8
RETAINED EARNINGS	436,606,048	1,020,524,245	2,067,113,913	1,797,122,776	1,480,471,857	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	84,368	62,759	93,310	196,644	172,471	10
REACQUIRED CAPITAL STOCK	-	58,430,006-	40,881,373-	25,701,240-	7,653,963-	11
TOTAL PROPRIETARY CAPITAL	2,652,161,623	3,218,160,647	4,281,973,743	4,026,828,438	3,727,768,012	12
BONDS (LESS BONDS REACQUIRED)	1,629,000,000	2,250,000,000	2,294,000,000	2,318,000,000	2,141,000,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	2,938,015,885	1,474,601,106	1,511,796,180	1,511,796,180	1,292,095,003	15
NET UNAMORTIZED PREMIUM + DISCOUNT	28,586,307-	25,011,796-	26,646,043-	28,281,187-	9,414,094-	16
TOTAL LONG-TERM DEBT	4,538,429,578	3,699,589,310	3,779,150,137	3,801,514,993	3,423,680,909	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	136,431,342	102,521,422	84,015,717	89,185,088	102,166,095	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	18,458,965	17,288,048	16,347,729	15,361,594	14,013,590	21
TAXES ACCRUED	98,435,058	35,877,212	1,863,992	18,099,121	20,100,409	22
INTEREST ACCRUED	64,425,141	70,207,364	70,603,556	69,967,486	59,618,325	23
DIVIDENDS DECLARED	39,172,644	-	-	-	-	24
TAX COLLECTIONS PAYABLE	5,217,547	3,965,824	3,776,599	3,359,316	4,174,097	25
OTHER CURRENT AND ACCRUED LIABILITIES	88,105,637	58,489,682	44,309,027	36,307,104	45,267,803	26
TOTAL CURRENT AND ACCRUED LIABILITIES	450,246,334	288,349,552	220,916,620	232,279,709	245,340,319	27
CUSTOMER ADVANCES FOR CONSTRUCTION	7,230,903	6,902,855	~~6~~,678,860	5,308,768	4,428,264	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	9,886,818	21,887,357	22,740,987	71,384,400	289,045,446	30
OTHER DEFERRED CREDITS	1,184,097,753	137,112,438	76,537,688	69,886,185	183,838,163	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	20,511	451,501	882,480	1,313,530	32
LIBERALIZED DEPRECIATION	301,958,952	767,463,201	814,463,397	565,252,901	39,516,513	33
OTHER	119,087,288	174,604,229	83,741,727	55,238,665	30,229,919	34
TOTAL DEFERRED CREDITS	1,622,261,714	1,107,990,591	1,004,614,160	767,953,399	548,371,835	35
PROPERTY INSURANCE RESERVE	-	6,555,000	-	-	-	36
INJURIES AND DAMAGE RESERVE	6,881,672	2,300,000	7,700,000	9,290,418	8,456,239	37
PENSION AND BENEFITS RESERVE	2,938,542	3,391,988	2,149,716	1,808,824	2,097,539	38
MISCELLANEOUS OPERATING RESERVES	1,031,233	-	2,747,078	3,933,192	1,220,243-	39
TOTAL OPERATING RESERVES	10,851,447	12,246,988	12,596,794	15,032,434	9,333,535	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 9,273,950,696	$ 8,326,337,088	$ 9,299,251,454	$ 8,843,608,973	$ 7,954,494,610	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	2.17	1.97	2.61	2.87	1.69	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	63.1	53.4	46.8	48.5	47.8	43
PREFERRED STOCK	9.8	10.9	9.3	9.6	10.5	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.9	20.8	18.1	18.8	20.8	45
RETAINED EARNINGS	6.0	14.7	25.6	22.9	20.7	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	114.9	46.0	40.7	43.6	41.9	47
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	29.4	13.3	10.5	10.5	10.4	48

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Statement of Cash Flows
Long Island Lighting Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES	------	------
1	Net Income	($95,803,000)	($1,046,620,000)
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	223,113,000	101,881,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(5,843,000)	(4,538,000)
4	Deferred Taxes & ITCs	(1,052,023,000)	93,452,000
5	Current Income Taxes & Other Taxes Payable	66,750,000	9,577,000
6	Interest Payable	(5,782,000)	(397,000)
7	Equity In Loss (Earnings) Of Affiliates	6,000	73,000
8	Capitalized AFDUC - Equity Funds	1,166,000	(75,491,000)
9	Other Adjustments	1,109,032,000	1,336,424,000
10	Total Adjustments	336,419,000	1,460,981,000
11	Net Cash From Operating Activities	240,616,000	414,361,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(276,260,000)	(485,666,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(421,000)	(459,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		52,200,000
22	Net Cash From Investing Activities	(276,681,000)	(433,925,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	808,765,000	(81,195,000)
24	Common Stock		
25	Preferred Stock	1,382,000	(17,549,000)
26	Short-term Debt		
27	Dividends Paid	(446,194,000)	
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(80,133,000)	76,000
30	Net Cash From Financing Activities	283,820,000	(98,668,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	247,755,000	(118,232,000)
32	Cash & Cash Equivalents At Beginning Of Year	92,549,000	210,781,000
33	Cash & Cash Equivalents At End Of Year	$340,304,000	$92,549,000

LONG ISLAND LIGHTING COMPANY
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 1,983,505,254	$ 1,787,206,656	$ 1,719,150,779	$ 1,612,021,971	$ 1,679,391,113	1
OPERATION AND MAINTENANCE EXPENSE	937,963,308	794,106,676	776,519,580	709,698,088	814,093,467	2
DEPRECIATION EXPENSE	91,758,631	82,810,562	63,840,033	61,193,800	58,511,048	3
AMORTIZATION	774,032,358	-	10,853,117	16,279,675	16,975,440	4
TAXES OTHER THAN INCOME TAXES	312,455,913	262,642,939	250,047,220	230,508,300	224,376,077	5
INCOME TAXES	15,027,463	25,086,751	10,430,602	215,438,129-	50,457,924	6
PROVISION FOR DEFERRED INCOME TAXES	498,891,267	403,437,401	282,693,632	249,435,508	155,586,303	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,209,692,474-	243,572,694-	48,190,455-	208,709,240	12,476,513	8
MISC. ADJUSTMENTS OF INCOME TAXES	28,114,999-	-	28,114,999	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	52,018-	1,413-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	18,910	-	11
TOTAL OPERATING EXPENSES	1,392,321,467	1,324,511,635	1,374,308,728	1,260,353,374	1,332,475,359	12
NET OPERATING REVENUES	591,183,787	462,695,021	344,842,051	351,668,597	346,915,754	13
INC - LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	591,183,787	462,695,021	344,842,051	351,668,597	346,915,754	15
OTHER UTILITY OPERATING INCOME	29,239,404	38,243,116	37,762,009	35,410,609	41,224,184	16
TOTAL UTILITY OPERATING INCOME	620,423,191	500,938,137	382,604,060	387,079,206	388,139,938	17
OTHER INCOME						
MERCH., JOBBING, & CONTRACT WORK	336,120-	200,928-	93,890	58,568-	38,691-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	129,079-	14,717-	30,211-	26,521-	67,238	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	79,929	96,394	27,643	70,914	66,504	21
INTEREST AND DIVIDEND INCOME	38,170,945	14,784,134	20,298,198	9,154,261	2,414,817	22
ALLOWANCE FOR CONSTRUCTION FUNDS	101,712,979	150,005,644	181,034,207	251,389,566	378,239,590	23
MISCELLANEOUS NONOPERATING INCOME	13,264,716	17,856,981	573,251	1,315,550	39,768-	24
GAIN ON DISPOSITION OF PROPERTY	151,336	41,778	127,893	504,862	13,120	25
TOTAL OTHER INCOME	152,914,706	182,569,286	202,124,871	262,350,064	380,722,810	26
TOTAL INCOME	773,337,897	683,507,423	584,728,931	649,429,270	768,862,748	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,292,521	929,500-	102,136	770,284-	353,495	28
INCOME TAXES-NONOPERATING	322,991,446-	88,264,400-	118,866,914-	82,577,549-	85,049,531-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	19,250	351,965	6,485	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	705,206,989	43,542,340	6,084,850	20,678,540	2,727,274	32
TOTAL INCOME DEDUCTIONS	384,508,064	45,651,560-	112,660,678-	62,317,328-	81,962,277-	33
INCOME BEFORE INTEREST CHARGES	388,829,833	729,158,983	697,389,609	711,746,598	850,825,025	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	453,267,471	410,966,677	410,097,509	379,751,440	310,975,697	35
AMORT. OF DEBT DISCOUNT & EXPENSE	14,842,781	8,385,929	8,902,792	7,253,392	11,257,645	36
AMORT. OF PREMIUM ON DEBT-CREDIT	100,185-	100,715-	101,692-	111,470-	115,692-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	16,623,245	11,417,608	8,603,197	8,178,144	4,419,348	39
TOTAL INTEREST CHARGES	484,633,312	430,669,499	427,501,806	395,071,506	326,536,998	40
INCOME BEFORE EXTRAORDINARY ITEMS	95,803,479-	298,489,484	269,887,803	316,675,092	524,288,027	41
EXTRAORDINARY ITEMS - NET	-	1,345,109,703-	-	-	-	42
NET INCOME	$ 95,803,479-	$ 1,046,620,219-	$ 269,887,803	$ 316,675,092	$ 524,288,027	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 1,020,524,245	$ 2,067,113,913	$ 1,797,122,776	$ 1,480,471,857	$ 956,192,008	44
TRANSFERRED FROM INCOME	95,825,088-	1,046,589,668-	269,991,137	316,650,919	524,279,849	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	429,749,209	-	-	-	-	47
-COMMON STOCK	55,617,585	-	-	-	-	48
ADJUSTMENTS	2,726,315-	-	-	-	-	49
BALANCE END OF YEAR	436,606,048	1,020,524,245	2,067,113,913	1,797,122,776	1,480,471,857	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	84,368	62,759	93,310	196,644	172,471	52
TOTAL END OF YEAR	$ 436,690,416	$ 1,020,587,004	$ 2,067,207,223	$ 1,797,319,420	$ 1,480,644,328	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	84.1	82.8	81.4	81.2	79.2	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.9-	48.4-	12.7	15.9	24.7	55
PRETAX COVERAGE OF INTEREST CHARGES	1.2-	2.0	2.0	2.2	2.8	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	-	-	-	-	-	57
RETURN ON COMMON EQUITY	23.7-	37.3-	5.6	7.5	16.2	58

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LONG ISLAND LIGHTING COMPANY
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 915,644,180	$ 835,584,015	$ 800,952,127	$ 744,897,904	$ 772,861,328
2	COMMERCIAL AND INDUSTRIAL	981,740,179	883,267,194	849,625,853	804,387,340	844,636,179
3	PUBLIC STREET AND HIGHWAY LIGHTING	16,216,439	16,069,602	16,840,701	16,517,420	18,675,055
4	OTHER PUBLIC AUTHORITIES	25,810,569	23,080,498	21,251,198	20,446,446	25,755,288
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	217,056	274,009	289,623	232,792	424,870
7	TOTAL REVENUES - ULTIMATE CONSUMERS	1,939,628,423	1,758,275,318	1,688,959,502	1,586,481,902	1,662,352,720
8	RESALE	43,085,592	25,520,012	11,956,565	11,160,228	13,025,438
9	TOTAL REVENUES FROM ELECTRIC SALES	1,982,714,015	1,783,795,330	1,700,916,067	1,597,642,130	1,675,378,158
10	OTHER ELECTRIC OPERATING REVENUES	791,239	3,411,326	18,234,712	14,379,841	4,012,955
11	TOTAL ELECTRIC OPERATING REVENUES	$ 1,983,505,254	$ 1,787,206,656	$ 1,719,150,779	$ 1,612,021,971	$ 1,679,391,113
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	7,063,072	6,979,447	6,602,519	6,251,168	5,970,093
13	COMMERCIAL AND INDUSTRIAL	8,635,598	8,565,604	8,004,367	7,712,786	7,368,337
14	PUBLIC STREET AND HIGHWAY LIGHTING	169,850	182,490	182,294	180,225	178,206
15	OTHER PUBLIC AUTHORITIES	294,410	284,376	254,698	245,169	271,714
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	5,832	7,346	7,388	4,665	8,543
18	TOTAL SALES TO ULTIMATE CONSUMERS	16,168,763	16,019,263	15,051,266	14,394,013	13,796,892
19	SALES: NY POWER ATH. CUSTOMERS	604	238,241	236,751	230,647	225,082
20	MUNICIPAL DIST. AGENCY SALES	-	163,713	-	-	-
21	TOTAL SALES - FRANCHISE AREA	16,169,367	16,421,217	15,288,017	14,624,660	14,021,974
22	RESALE	639,141	461,070	241,082	248,145	227,382
23	TOTAL KILOWATT-HOUR SALES	16,808,508	16,882,287	15,529,099	14,872,805	14,249,356
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	890,406	882,961	872,419	861,011	850,683
25	COMMERCIAL AND INDUSTRIAL	100,481	98,450	95,871	93,228	90,548
26	PUBLIC STREET AND HIGHWAY LIGHTING	4,357	4,341	4,292	4,254	4,225
27	OTHER PUBLIC AUTHORITIES	93	93	93	105	164
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	-	1	1	1	1
30	TOTAL ULTIMATE CONSUMERS	995,337	985,846	972,676	958,598	945,621
31	RESALE	3	4	4	3	3
32	TOTAL CUSTOMERS	995,340	985,850	972,680	958,601	945,624
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$1,028.34	$ 946.34	$ 918.08	$ 865.14	$ 908.52
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	7,932	7,905	7,568	7,260	7,018
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	12.96	11.97	12.13	11.92	12.95
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 9,770.41	$ 8,971.73	$ 8,862.18	$ 8,628.17	$ 9,328.05
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	85,943	87,005	83,491	82,730	81,375
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	11.37	10.31	10.61	10.43	11.46
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 387,261,715	$ 364,402,125	$ 398,798,851	$ 298,267,171	$ 497,823,276
40	OTHER	64,785,614	60,619,789	59,206,922	64,612,358	41,013,270
41	TOTAL STEAM POWER EXPENSES	452,047,329	425,021,914	458,005,773	362,879,529	538,836,546
	NUCLEAR POWER					
42	FUEL	12,639,006	7,179,306	-	-	-
43	OTHER	15,356,307	9,108,087	-	-	-
44	TOTAL NUCLEAR POWER EXPENSES	27,995,313	16,287,393	-	-	-
	HYDRAULIC POWER					
45	WATER FOR POWER	-	-	-	-	-
46	OTHER	-	-	-	-	-
47	TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-
	OTHER POWER GENERATION					
48	FUEL	53,754,350	32,842,983	21,348,753	22,825,337	16,761,116
49	OTHER	11,388,540	9,658,229	8,274,467	8,926,445	5,826,880
50	TOTAL OTHER POWER GENERATION EXPENSE	65,142,890	42,501,212	29,623,220	31,751,782	22,587,996
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	112,719,601	77,722,694	83,261,896	134,647,030	113,090,171
52	OTHER	2,533,121	7,248,850	4,103,508	2,155,336	2,074,755
53	TOTAL OTHER POWER SUPPLY EXPENSES	115,252,722	84,971,544	87,365,404	136,802,366	115,164,926
54	TOTAL POWER PRODUCTION EXPENSES	660,438,254	568,782,063	574,994,397	531,433,677	676,589,468
55	TRANSMISSION EXPENSES	33,017,259	27,774,805	20,102,805	18,019,305	13,934,425
56	DISTRIBUTION EXPENSES	71,720,966	61,667,645	57,901,914	50,764,736	39,336,791
57	CUSTOMER ACCOUNTS EXPENSES	37,871,624	34,249,249	31,968,495	29,713,333	29,051,016
58	SALES EXPENSES	41,864,205	11,807,943	13,598,695	8,328,981	1,509,513
59	ADMINISTRATIVE AND GENERAL	93,051,000	89,824,971	77,953,274	71,438,056	53,672,249
60	TOTAL O & M EXPENSES	$ 937,963,308	$ 794,106,676	$ 776,519,580	$ 709,698,088	$ 814,093,467

LONG ISLAND LIGHTING COMPANY
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 1,937,020,397	$ 1,759,151,139	$ 1,703,212,356	$ 1,597,095,683	$ 1,665,201,859	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	16,168,718	16,019,099	14,671,291	14,018,887	13,796,892	2
	DOLLAR AMOUNTS					
FUEL AND PURCHASED POWER	$ 547,929,586	$ 470,287,081	$ 475,403,709	$ 449,383,146	$ 618,364,862	3
WAGES AND BENEFITS	169,223,887	143,877,428	140,705,085	127,624,036	109,226,938	4
OTHER OPERATION AND MAINTENANCE EXPENSES	200,550,544	165,975,189	129,113,024	123,218,186	76,756,404	5
DEPRECIATION AND AMORTIZATION EXPENSES	863,905,902	82,735,381	74,620,634	77,393,138	75,402,659	6
INCOME TAXES - OPERATING	722,312,620-	184,783,546	272,783,689	242,454,942	218,278,070	7
OTHER TAXES - OPERATING	311,775,603	252,404,493	249,804,462	230,269,272	224,126,905	8
*INTEREST CHARGES **	155,568,045-	190,985,294	223,247,280	254,446,791	158,520,335	9
*PREFERRED DIVIDENDS **	175,962,343	65,196,182	37,109,458	25,089,914	32,713,765	10
EARNINGS AVAILABLE FOR COMMON EQUITY	545,553,198	192,906,544	100,425,016	67,216,258	151,811,920	11
TOTAL	$ 1,937,020,397	$ 1,759,151,139	$ 1,703,212,356	$ 1,597,095,683	$ 1,665,201,859	12
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
FUEL AND PURCHASED POWER	28.3	26.7	27.9	28.1	37.1	13
WAGES AND BENEFITS	8.7	8.2	8.3	8.0	6.6	14
OTHER OPERATION AND MAINTENANCE EXPENSES	10.4	9.4	7.6	7.7	4.6	15
DEPRECIATION AND AMORTIZATION EXPENSES	44.6	4.7	4.4	4.8	4.5	16
INCOME TAXES - OPERATING	37.2-	10.5	16.0	15.2	13.1	17
OTHER TAXES - OPERATING	16.1	14.9	14.7	14.4	13.5	18
*INTEREST CHARGES **	7.9-	10.9	13.1	15.9	9.5	19
*PREFERRED DIVIDENDS **	9.1	3.7	2.2	1.6	2.0	20
EARNINGS AVAILABLE FOR COMMON EQUITY	28.2	11.0	5.9	4.2	9.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
	CENTS PER KWH					
FUEL AND PURCHASED POWER	3.39	2.94	3.24	3.21	4.48	23
WAGES AND BENEFITS	1.05	0.90	0.96	0.91	0.79	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.24	1.04	0.88	0.88	0.56	25
DEPRECIATION AND AMORTIZATION EXPENSES	5.34	0.52	0.51	0.55	0.55	26
INCOME TAXES - OPERATING	4.46-	1.15	1.86	1.73	1.58	27
OTHER TAXES - OPERATING	1.93	1.64	1.70	1.64	1.62	28
*INTEREST CHARGES **	0.95-	1.19	1.52	1.82	1.15	29
*PREFERRED DIVIDENDS **	1.09	0.41	0.25	0.18	0.24	30
EARNINGS AVAILABLE FOR COMMON EQUITY	3.37	1.20	0.68	0.48	1.10	31
TOTAL	11.98	10.98	11.61	11.39	12.07	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	85.24	94.76	95.96	96.02	96.07	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 4,235,688,662	$ 4,107,253,497	$ 3,903,758,164	$ 4,227,176,928	$ 3,925,477,016
2	ACCUM. PROV. FOR DEPR. AND AMORT.	978,758,045	876,609,198	779,732,669	697,798,800	620,151,836
3	NET ELECTRIC UTILITY PLANT	3,256,930,617	3,230,644,299	3,124,025,495	3,529,378,128	3,305,325,180
4	OTHER UTILITY PLANT	357,282,449	319,440,007	276,270,595	243,207,442	227,168,745
5	ACCUM. PROV. FOR DEPR. AND AMORT.	88,055,166	82,396,332	77,463,810	72,942,900	68,133,811
6	NET OTHER UTILITY PLANT	269,227,283	237,043,675	198,806,785	170,264,542	159,034,934
7	TOTAL UTILITY PLANT	4,592,971,111	4,426,693,504	4,180,028,759	4,470,384,370	4,152,645,761
8	ACCUM. PROV. FOR DEPR. AND AMORT.	1,066,813,211	959,005,530	857,196,479	770,741,700	688,285,647
9	NET TOTAL UTILITY PLANT	3,526,157,900	3,467,687,974	3,322,832,280	3,699,642,670	3,464,360,114
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	4,707,343	2,974,042	2,984,506	3,158,853	3,111,851
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	4,557,068	4,746,479	5,301,846	212,000	212,000
13	OTHER INVESTMENTS	3,015,000	5,740,000	6,740,000	7,790,000	7,790,000
14	SPECIAL FUNDS	489,505	266,327	272,234	283,818	264,502
15	TOTAL OTHER PROPERTY AND INVESTMENTS	12,768,916	13,726,848	15,298,586	11,444,671	11,378,353
16	CASH	8,969,177-	112,674,514-	7,099,919-	5,997,464-	5,999,167-
17	SPECIAL DEPOSITS	6,413,780	106,848,320	3,900,786	4,822,817	13,598,507
18	WORKING FUNDS	1,843,877	1,442,519	1,300,998	1,556,894	5,020,153
19	TEMPORARY CASH INVESTMENTS	12,408,350	115,852,605	10,600,000	14,600,000	8,500,000
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	93,425,245	86,831,159	186,183,520	125,461,521	116,240,072
21	RECEIVABLES FROM ASSOCIATED COMPANIES	228,696	327,225	300,929	-	110,786
22	MATERIALS AND SUPPLIES	83,401,217	94,672,661	106,736,219	64,845	95,768,725
23	PREPAYMENTS	25,017,859	21,688,370	22,537,667	27,329,912	20,189,966
24	OTHER CURRENT AND ACCRUED ASSETS	47,913,607	51,303,348	955,365	93,967,831	1,119,252
25	TOTAL CURRENT AND ACCRUED ASSETS	261,683,454	366,291,693	325,415,565	261,806,356	254,548,294
26	UNAMORTIZED DEBT EXPENSE	71,635,673	72,255,209	63,700,414	64,762,184	60,525,650
27	EXTRAORDINARY PROPERTY LOSSES	52,386,612	55,573,789	53,646,350	-	-
28	PREL. SURVEY & INVESTIGATION CHARGES	6,004,171	5,785,348	4,808,389	3,127,972	1,324,486
29	CLEARING ACCOUNTS	608,609	204,897	532,869-	127,331-	38,245-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	190,372	1,193,344	1,112,819-	431,679	183,890-
32	ACCUMULATED DEFERRED INCOME TAXES	131,281,612	117,629,394	99,088,425	19,010,984	15,200,967
33	OTHER DEFERRED DEBITS	653,906,235	629,456,914	632,004,086	106,866,434	109,255,294
34	TOTAL DEFERRED DEBITS	916,013,284	882,098,895	851,601,976	194,071,922	186,084,262
35	TOTAL ASSETS AND OTHER DEBITS	$ 4,716,623,554	$ 4,729,805,410	$ 4,515,148,408	$ 4,166,965,619	$ 3,916,371,023
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	$ 1,583,292	$ 1,499,492	$ 1,499,492	$ 1,499,492	$ 1,499,492
	PRODUCTION PLANT:					
37	STEAM	1,676,316,281	1,653,826,722	1,616,120,349	1,575,324,017	1,545,955,100
38	NUCLEAR	739,410,823	736,003,433	-	-	-
39	HYDRAULIC	88,155,060	79,915,627	79,211,136	77,750,531	71,339,711
40	OTHER	704,976	819,814	819,814	766,472	1,147,946
41	TRANSMISSION PLANT	522,184,773	510,139,268	474,609,939	443,307,680	433,902,753
42	DISTRIBUTION PLANT	1,060,968,522	1,000,403,898	932,318,391	879,760,519	833,234,773
43	GENERAL PLANT	37,691,577	36,960,096	35,246,865	36,204,382	35,621,511
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	35,733,665	33,027,155	-	-	-
47	TOTAL ELECTRIC PLANT IN SERVICE	4,162,748,969	4,052,595,505	3,139,825,986	3,014,613,093	2,922,701,286
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	6,015,129	6,015,129	6,130,465	7,954,484	8,655,987
50	CONSTRUCTION WORK IN PROGRESS	66,924,564	48,642,897	757,801,714	1,204,609,351	994,119,743
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	4,235,688,662	4,107,253,497	3,903,758,164	4,227,176,928	3,925,477,016
53	ACCUM. PROV. FOR DEPR. AND AMORT.	978,758,045	876,609,198	779,732,669	697,798,800	620,151,836
54	NET ELECTRIC UTILITY PLANT	3,256,930,617	3,230,644,299	3,124,025,495	3,529,378,128	3,305,325,180
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	4,052,595,471	3,169,098,392	3,014,613,093	2,922,701,286	2,824,506,244
56	ADDITIONS	135,316,889	898,047,542	132,809,026	101,720,411	117,365,506
57	RETIREMENTS	22,949,077	17,674,120	9,517,012	10,432,549	16,844,389
58	TRANSFERS AND ADJUSTMENTS	2,214,314-	3,123,661	1,920,879	623,945	2,326,075-
59	END OF YEAR	$ 4,162,748,969	$ 4,052,595,471	$ 3,139,825,986	$ 3,014,613,093	$ 2,922,701,286

*EXCLUDES ALLOCATION OF COMMON PLANT

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

LIABILITIES AND OTHER CREDITS

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMMON STOCK ISSUED	$ 383,690,271	$ 378,003,495	$ 371,556,668	$ 360,408,069	$ 360,046,582	1
PREFERRED STOCK ISSUED	174,000,000	178,650,000	183,320,000	217,970,000	252,620,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	550,424,280	534,563,171	519,217,353	481,803,192	480,349,216	5
OTHER PAID-IN CAPITAL	29,442,626	29,442,626	29,442,626	29,317,079	29,346,985	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	6,573,939-	6,602,334-	6,596,717-	7,756,111-	8,173,925-	8
RETAINED EARNINGS	268,200,642	238,621,331	192,898,015	534,190,118	469,661,779	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	1,399,183,880	1,352,678,289	1,289,837,945	1,615,932,347	1,583,850,637	12
BONDS (LESS BONDS REACQUIRED)	1,215,652,000	1,353,251,000	1,499,509,000	1,434,912,000	1,274,480,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	546,644,577	593,295,090	552,035,165	483,194,722	481,741,631	15
NET UNAMORTIZED PREMIUM + DISCOUNT	3,444,281-	3,897,735-	3,619,874-	2,499,583-	1,615,196-	16
TOTAL LONG-TERM DEBT	1,758,852,296	1,942,648,355	2,047,924,291	1,915,607,139	1,754,606,435	17
NOTES PAYABLE	121,000,000	77,400,000	16,000,000	110,600,000	118,300,000	18
ACCOUNTS PAYABLE	81,215,635	84,553,835	60,352,092	61,422,103	75,651,462	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	3,971,602	4,122,109	3,812,009	3,534,337	3,339,953	21
TAXES ACCRUED	9,074,917	11,133,415	3,232,516	14,619,413	5,045,133	22
INTEREST ACCRUED	51,472,309	61,017,361	59,403,765	54,878,027	51,949,517	23
DIVIDENDS DECLARED	3,131,253	3,321,003	3,477,228	4,516,359	6,090,191	24
TAX COLLECTIONS PAYABLE	4,296,898	3,854,491	2,655,364	3,955,316	1,909,114	25
OTHER CURRENT AND ACCRUED LIABILITIES	41,141,421	41,257,667	46,221,735	42,646,225	43,357,953	26
TOTAL CURRENT AND ACCRUED LIABILITIES	315,304,035	286,659,881	195,154,709	296,171,780	305,643,323	27
CUSTOMER ADVANCES FOR CONSTRUCTION	7,705,199	6,689,781	5,778,838	5,272,100	5,169,600	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	138,649,416	125,538,591	128,091,401	106,435,942	75,438,060	30
OTHER DEFERRED CREDITS	294,807,604	291,185,034	172,549,535	13,834,649	16,250,546	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	637,278	806,577	997,869	1,654,454	2,129,858	32
LIBERALIZED DEPRECIATION	239,537,475	197,646,662	152,355,761	151,755,947	112,908,540	33
OTHER	561,946,371	525,952,240	522,258,059	60,101,261	60,174,024	34
TOTAL DEFERRED CREDITS	1,243,283,343	1,147,818,885	982,031,463	339,054,353	272,070,628	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVE	-	-	200,000	200,000	200,000	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	-	-	200,000	200,000	200,000	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 4,716,623,554	$ 4,729,805,410	$ 4,515,148,408	$ 4,166,965,619	$ 3,916,371,023	41

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985	LINE NO.
CURRENT ASSETS / BY CURRENT LIABILITIES	0.83	1.28	1.67	0.88	0.83	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	55.6	58.9	61.3	54.2	52.5	43
PREFERRED STOCK	5.5	5.4	5.4	6.1	7.5	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	30.3	28.3	27.3	24.4	25.8	45
RETAINED EARNINGS	8.4	7.2	5.7	15.1	14.0	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	38.2	43.8	48.9	42.8	42.2	47
ACCUM.PROVISION FOR DEPR..% OF UTILITY PLT	23.2	21.6	20.5	17.2	16.5	48

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Statement of Cash Flows
New York State Electric & Gas Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$157,780,000	$171,467,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	169,346,000	150,608,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	37,000	79,101,000
4	Deferred Taxes & ITCs	34,740,000	47,241,000
5	Current Income Taxes & Other Taxes Payable	(2,058,000)	7,901,000
6	Interest Payable	(9,545,000)	1,614,000
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(594,000)	(10,961,000)
9	Other Adjustments	(16,000)	45,069,000
10	Total Adjustments	191,910,000	320,573,000
11	Net Cash From Operating Activities	349,690,000	492,040,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(189,010,000)	(217,261,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(189,010,000)	(217,261,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(187,748,000)	(112,258,000)
24	Common Stock	20,865,000	21,787,000
25	Preferred Stock	(4,650,000)	(4,670,000)
26	Short-term Debt	43,600,000	61,400,000
27	Dividends Paid	(128,388,000)	(125,900,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(4,131,000)	(12,371,000)
30	Net Cash From Financing Activities	(260,452,000)	(172,012,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(99,772,000)	102,767,000
32	Cash & Cash Equivalents At Beginning Of Year	111,469,000	8,702,000
33	Cash & Cash Equivalents At End Of Year	$11,697,000	$111,469,000

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 1,266,667,771	$ 1,191,805,583	$ 1,136,798,714	$ 1,098,089,257	$ 1,051,578,366	1
OPERATION AND MAINTENANCE EXPENSE	631,310,933	555,932,176	544,067,034	511,562,509	539,946,663	2
DEPRECIATION EXPENSE	123,056,097	113,540,460	95,049,149	93,413,638	92,248,860	3
AMORTIZATION	11,315,448	7,679,840	4,023,964	3,390,518	1,913,919	4
TAXES OTHER THAN INCOME TAXES	130,878,570	121,640,344	112,846,404	106,452,354	97,980,257	5
INCOME TAXES	50,847,297	35,821,786	53,347,771	56,734,434	9,278,082	6
PROVISION FOR DEFERRED INCOME TAXES	49,100,231	56,710,833	77,662,126	71,059,647	84,960,774	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	35,381,814-	12,531,749-	18,091,807-	8,536,832-	9,813,642-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	3,937-	-	226,372-	8,388-	46,744-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	156	1,303-	1,268,006	17-	3,093	11
TOTAL OPERATING EXPENSES	961,122,981	878,792,387	869,946,275	834,067,863	816,471,263	12
NET OPERATING REVENUES	305,544,790	313,013,196	266,852,439	264,021,394	235,107,103	13
INC.- LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	305,544,790	313,013,196	266,852,439	264,021,394	235,107,103	15
OTHER UTILITY OPERATING INCOME	7,192,108	14,506,707	13,324,336	19,466,644	11,893,156	16
TOTAL UTILITY OPERATING INCOME	312,736,898	327,519,903	280,176,775	283,488,038	247,000,259	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	65,589-	16,794	4,851-	12,724-	20,351-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	800,112	1,529,858	1,726,584	386,567	652,603	22
ALLOWANCE FOR CONSTRUCTION FUNDS	5,855,445	23,608,568	89,244,506	111,871,903	122,719,138	23
MISCELLANEOUS NONOPERATING INCOME	4,762,557	580,471	2,001,920-	2,392,258-	731,889-	24
GAIN ON DISPOSITION OF PROPERTY	503,499	67,127	207,932	502,710	105,201	25
TOTAL OTHER INCOME	11,856,034	25,802,818	89,172,251	110,356,198	122,724,702	26
TOTAL INCOME	324,592,932	353,322,721	369,349,026	393,844,236	369,724,961	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	171,634	149,546	134,534	128,978	130,728	28
INCOME TAXES-NONOPERATING	4,875,529-	10,048,593-	14,822,178-	32,361,687-	25,596,203-	29
LOSS ON DISPOSITION OF PROPERTY	-	440	853	19,793	73,717	30
MISCELLANEOUS AMORTIZATION	41,160-	227,654	111,714	5,838	1,541	31
MISCELLANEOUS INCOME DEDUCTIONS	676,691	747,590	32,284,098	1,695,584	165,762-	32
TOTAL INCOME DEDUCTIONS	4,068,364-	8,923,363-	17,709,021	30,511,494-	25,555,979-	33
INCOME BEFORE INTEREST CHARGES	328,661,286	362,246,084	351,640,005	424,355,730	395,280,940	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	161,168,022	184,442,823	192,297,960	183,841,960	174,584,406	35
AMORT. OF DEBT DISCOUNT & EXPENSE	5,282,417	4,639,312	4,233,677	4,044,126	2,811,458	36
AMORT. OF PREMIUM ON DEBT-CREDIT	44,339-	44,747-	51,497-	55,998-	61,598-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	10,256,567	7,831,428	2,875,109	8,031,965	9,513,509	39
TOTAL INTEREST CHARGES	176,662,667	196,868,816	199,355,249	195,862,053	186,847,775	40
INCOME BEFORE EXTRAORDINARY ITEMS	151,998,619	165,377,268	152,284,756	228,493,677	208,433,165	41
EXTRAORDINARY ITEMS - NET	5,781,078	6,090,220	330,022,139-	-	-	42
NET INCOME	$ 157,779,697	$ 171,467,488	$ 177,737,383-	$ 228,493,677	$ 208,433,165	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 238,321,331	$ 192,898,015	$ 534,190,118	$ 469,661,779	$ 418,472,383	44
TRANSFERRED FROM INCOME	157,779,697	171,467,488	177,737,383-	228,493,677	208,433,165	45
APPROPRIATIONS	130,857	300,000	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	12,975,383	13,492,708	13,661,783	20,103,911	25,225,720	47
-COMMON STOCK	115,225,003	112,251,464	145,794,183	140,432,734	132,018,049	48
ADJUSTMENTS	-	-	4,098,754-	3,428,693-	-	49
BALANCE END OF YEAR	267,769,785	238,321,331	192,898,015	534,190,118	469,661,779	50
APPROPRIATED RETAINED EARNINGS	430,857	300,000	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	52
TOTAL END OF YEAR	$ 268,200,642	$ 238,621,331	$ 192,898,015	$ 534,190,118	$ 469,661,779	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	88.7	88.9	88.1	85.9	84.6	54
NET INCOME-PERCENT OF OPERATING REVENUES	11.0	12.7	13.6-	17.8	16.7	55
PRETAX COVERAGE OF INTEREST CHARGES	2.2	5.9	2.2	2.6	2.4	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	79.5	71.0	-	67.3	72.0	57
RETURN ON COMMON EQUITY	12.0	13.8	-	15.2	14.2	58

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 510,941,206	$ 507,427,793	$ 483,530,670	$ 457,131,657	$ 401,344,784
2	COMMERCIAL AND INDUSTRIAL	458,306,491	456,050,724	435,222,358	422,618,806	361,742,593
3	PUBLIC STREET AND HIGHWAY LIGHTING	14,185,742	14,237,846	13,861,020	14,083,485	12,545,925
4	OTHER PUBLIC AUTHORITIES	98,399,055	97,574,405	95,280,548	93,437,263	79,183,498
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	1,778,959	1,763,363	1,704,579	1,660,085	1,450,524
7	TOTAL REVENUES - ULTIMATE CONSUMERS	1,083,611,453	1,077,054,131	1,029,599,175	988,931,296	856,267,324
8	RESALE	134,107,936	89,784,276	109,452,988	95,707,207	171,072,873
9	TOTAL REVENUES FROM ELECTRIC SALES	1,217,719,389	1,166,838,407	1,139,052,163	1,084,638,503	1,027,340,197
10	OTHER ELECTRIC OPERATING REVENUES	48,948,382	24,967,176	2,253,449-	13,450,754	24,238,170
11	TOTAL ELECTRIC OPERATING REVENUES	$ 1,266,667,771	$ 1,191,805,583	$ 1,136,798,714	$ 1,098,089,257	$ 1,051,578,367
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	5,232,676	5,147,780	4,905,075	4,790,617	4,615,060
13	COMMERCIAL AND INDUSTRIAL	6,390,872	6,227,536	5,899,985	5,671,145	5,488,575
14	PUBLIC STREET AND HIGHWAY LIGHTING	96,464	98,640	98,950	100,417	101,327
15	OTHER PUBLIC AUTHORITIES	1,310,899	1,278,566	1,250,663	1,223,528	1,179,166
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	24,214	22,852	21,951	21,289	21,191
18	TOTAL SALES TO ULTIMATE CONSUMERS	13,055,126	12,775,374	12,176,624	11,806,995	11,405,319
19	SALES: NY POWER ATH. CUSTOMERS	-	-	-	-	-
20	MUNICIPAL DIST. AGENCY SALES	-	-	-	-	-
21	TOTAL SALES - FRANCHISE AREA	13,055,125	12,775,374	12,176,624	11,806,995	11,405,319
22	RESALE	4,460,662	3,896,449	4,295,358	3,545,197	5,020,598
23	TOTAL KILOWATT-HOUR SALES	17,515,788	16,671,822	16,471,981	15,352,191	16,425,916
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	672,083	660,708	648,024	635,536	624,751
25	COMMERCIAL AND INDUSTRIAL	70,466	68,722	67,233	65,956	64,757
26	PUBLIC STREET AND HIGHWAY LIGHTING	1,017	560	568	556	1,036
27	OTHER PUBLIC AUTHORITIES	9,640	9,491	9,320	9,188	9,100
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	-	1	1	1	1
30	TOTAL ULTIMATE CONSUMERS	753,206	739,482	725,146	711,237	699,645
31	RESALE	9	9	9	9	10
32	TOTAL CUSTOMERS	753,215	739,491	725,155	711,246	699,655
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 760.24	$ 768.01	$ 746.16	$ 719.29	$ 642.41
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	7,786	7,791	7,569	7,538	7,387
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	9.76	9.86	9.86	9.54	8.70
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,503.94	$ 6,636.17	$ 6,473.34	$ 6,407.59	$ 5,586.15
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	90,694	90,619	87,754	85,984	84,756
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	7.17	7.32	7.38	7.45	6.59
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 270,461,649	$ 247,821,019	$ 249,504,387	$ 238,350,597	$ 280,381,787
40	OTHER	76,579,108	79,045,583	77,386,365	76,560,918	69,293,626
41	TOTAL STEAM POWER EXPENSES	347,040,757	326,866,602	326,890,752	314,911,515	349,675,413
	NUCLEAR POWER					
42	FUEL	8,590,162	5,483,660	-	-	-
43	OTHER	21,204,139	13,575,532	-	-	-
44	TOTAL NUCLEAR POWER EXPENSES	29,794,301	19,059,192	-	-	-
	HYDRAULIC POWER					
45	WATER FOR POWER	9	80	-	582	100
46	OTHER	1,368,866	1,599,069	1,543,857	1,137,240	1,177,026
47	TOTAL HYDRAULIC POWER EXPENSES	1,368,875	1,599,149	1,543,857	1,137,822	1,177,126
	OTHER POWER GENERATION					
48	FUEL	23,229	21,780	4,582	20,072	14,939
49	OTHER	39,176	49,135	45,237	48,322	18,474
50	TOTAL OTHER POWER GENERATION EXPENSE	62,405	70,915	49,819	68,394	33,413
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	26,018,680	19,431,915	29,638,436	29,302,135	35,984,438
52	OTHER	3,104,498	4,367,278	3,765,497	2,767,174	2,378,778
53	TOTAL OTHER POWER SUPPLY EXPENSES	29,123,178	23,799,193	33,403,933	32,069,309	38,363,216
54	TOTAL POWER PRODUCTION EXPENSES	407,389,516	371,395,051	361,888,361	348,187,040	389,249,168
55	TRANSMISSION EXPENSES	29,238,636	22,196,413	24,313,911	22,438,012	23,450,140
56	DISTRIBUTION EXPENSES	54,419,820	49,736,602	55,673,403	49,522,467	46,119,740
57	CUSTOMER ACCOUNTS EXPENSES	35,417,604	21,571,923	20,224,830	19,324,654	18,332,530
58	SALES EXPENSES	23,458,630	20,558,493	12,087,359	8,928,778	7,054,261
59	ADMINISTRATIVE AND GENERAL	81,386,727	70,473,694	69,879,170	63,161,558	55,740,824
60	TOTAL O & M EXPENSES	$ 631,310,933	$ 555,932,176	$ 544,067,034	$ 511,562,509	$ 539,946,663

NEW YORK STATE ELECTRIC & GAS CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 1,132,559,835	$ 1,102,021,307	$ 1,027,345,726	$ 1,002,382,050	$ 880,505,493	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	13,055,125	12,775,374	12,176,624	11,806,995	11,405,319	2
DOLLAR AMOUNTS						
FUEL AND PURCHASED POWER	$ 231,420,717	$ 209,509,743	$ 208,136,982	$ 204,031,098	$ 223,926,952	3
WAGES AND BENEFITS	124,562,864	116,096,494	117,485,947	111,250,932	103,901,079	4
OTHER OPERATION AND MAINTENANCE EXPENSES	197,189,897	163,179,477	144,179,959	129,084,590	114,600,071	5
DEPRECIATION AND AMORTIZATION EXPENSES	134,371,545	121,220,300	99,073,113	96,804,156	94,162,779	6
INCOME TAXES - OPERATING	54,565,714	80,000,870	112,918,090	119,257,249	84,425,214	7
OTHER TAXES - OPERATING	130,878,570	121,640,344	112,846,404	106,452,354	97,980,257	8
*INTEREST CHARGES **	165,036,616	173,723,477	163,063,233	123,100,662	116,718,130	9
*PREFERRED DIVIDENDS **	12,398,311	11,755,940	8,672,933	12,879,989	14,618,737	10
EARNINGS AVAILABLE FOR COMMON EQUITY	72,135,601	104,894,661	60,969,065	99,521,020	30,172,273	11
TOTAL	$ 1,132,559,835	$ 1,102,021,307	$ 1,027,345,726	$ 1,002,382,050	$ 880,505,493	12
PERCENT OF REVENUES - ULTIMATE CONSUMERS						
FUEL AND PURCHASED POWER	20.4	19.0	20.3	20.4	25.4	13
WAGES AND BENEFITS	11.0	10.5	11.4	11.1	11.8	14
OTHER OPERATION AND MAINTENANCE EXPENSES	17.4	14.8	14.0	12.9	13.0	15
DEPRECIATION AND AMORTIZATION EXPENSES	11.9	11.0	9.6	9.7	10.7	16
INCOME TAXES - OPERATING	5.7	7.3	11.0	11.9	9.6	17
OTHER TAXES - OPERATING	11.6	11.0	11.0	10.6	11.1	18
*INTEREST CHARGES **	14.6	15.8	15.9	12.3	13.3	19
*PREFERRED DIVIDENDS **	1.1	1.1	0.8	1.3	1.7	20
EARNINGS AVAILABLE FOR COMMON EQUITY	6.4	9.5	5.9	9.9	3.4	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER KWH						
FUEL AND PURCHASED POWER	1.77	1.64	1.71	1.73	1.96	23
WAGES AND BENEFITS	0.95	0.91	0.96	0.94	0.91	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.51	1.28	1.18	1.09	1.00	25
DEPRECIATION AND AMORTIZATION EXPENSES	1.03	0.95	0.81	0.82	0.83	26
INCOME TAXES - OPERATING	0.49	0.63	0.93	1.01	0.74	27
OTHER TAXES - OPERATING	1.00	0.95	0.93	0.90	0.86	28
*INTEREST CHARGES **	1.26	1.36	1.34	1.04	1.02	29
*PREFERRED DIVIDENDS **	0.09	0.09	0.07	0.11	0.13	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.55	0.82	0.50	0.84	0.26	31
TOTAL	8.68	8.63	8.44	8.49	7.72	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	95.92	96.15	96.34	96.98	96.96	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST AGENCIES.

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 7,418,277,390	$ 7,112,601,999	$ 6,878,009,620	$ 7,713,376,743	$ 6,957,787,841
2	ACCUM. PROV. FOR DEPR. AND AMORT	2,048,604,275	1,871,201,838	1,709,439,863	1,573,615,013	1,453,576,676
3	NET ELECTRIC UTILITY PLANT	5,369,673,115	5,241,400,161	5,168,569,757	6,139,761,730	5,504,211,165
4	OTHER UTILITY PLANT	849,824,794	788,045,597	739,880,816	696,035,434	648,544,645
5	ACCUM. PROV. FOR DEPR. AND AMORT.	218,717,584	204,250,124	191,457,584	177,146,602	164,071,225
6	NET OTHER UTILITY PLANT	631,107,210	583,795,473	548,423,232	518,888,832	484,473,420
7	TOTAL UTILITY PLANT	8,268,102,184	7,900,647,596	7,617,890,436	8,409,412,177	7,606,332,486
8	ACCUM. PROV. FOR DEPR. AND AMORT.	2,267,321,859	2,075,451,962	1,900,897,447	1,750,761,615	1,617,647,901
9	NET TOTAL UTILITY PLANT	6,000,780,325	5,825,195,634	5,716,992,989	6,658,650,562	5,988,684,585
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	18,742,551	17,985,204	18,686,674	17,730,161	18,643,249
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	190,564,966	160,720,705	148,296,567	70,203,915	75,604,561
13	OTHER INVESTMENTS	123,143	4,029,600	4,029,602	3,989,400	232,262,189
14	SPECIAL FUNDS	260,671	-	-	2,238,336	79,916,312
15	TOTAL OTHER PROPERTY AND INVESTMENTS	209,691,331	182,735,509	171,012,843	94,161,812	406,426,311
16	CASH	12,481,484	7,987,548	14,017,958	88,708,497	16,702,160
17	SPECIAL DEPOSITS	136,178	147,428	364,828	485,682	151,619
18	WORKING FUNDS	746,858	1,713,125-	227,389	3,158,510	23,686,821
19	TEMPORARY CASH INVESTMENTS	26,475,503	11,335,147	8,798,125	78,388,800	246,817
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	187,046,915	212,343,226	293,614,773	281,495,348	279,612,609
21	RECEIVABLES FROM ASSOCIATED COMPANIES	2,054,640	1,153,064	459,773	6,950,469	329,730
22	MATERIALS AND SUPPLIES	182,050,931	123,887,730	118,836,510	116,037,376	129,453,709
23	PREPAYMENTS	154,498,536	63,188,793	47,597,597	17,174,875	16,958,242
24	OTHER CURRENT AND ACCRUED ASSETS	142,351,461	135,938,308	10,347,052	5,265,743	7,187,325
25	TOTAL CURRENT AND ACCRUED ASSETS	707,842,506	554,268,119	494,264,005	597,665,300	474,329,032
26	UNAMORTIZED DEBT EXPENSE	121,515,260	128,334,999	124,672,241	100,533,627	64,041,780
27	EXTRAORDINARY PROPERTY LOSSES	9,588,785	9,677,440	9,554,656	953,754-	1,708,789
28	PREL. SURVEY & INVESTIGATION CHARGES	8,598,914	8,484,915	9,262,390	-	-
29	CLEARING ACCOUNTS	29,546	43,510	36,039	24,337	24,976
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	95,167	475,833	856,500	-	-
31	RESEARCH AND DEVELOPMENT	10,397,283-	7,454,902-	4,421,763-	2,288,729	1,361,617-
32	ACCUMULATED DEFERRED INCOME TAXES	119,857,000	103,327,000	66,000,000	31,610,000	15,674,000
33	OTHER DEFERRED DEBITS	447,198,468	342,929,343	263,246,478	145,409,421	81,169,236
34	TOTAL DEFERRED DEBITS	696,485,857	585,818,138	469,206,541	278,912,360	161,257,164
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,614,800,019	$ 7,148,017,400	$ 6,851,476,378	$ 7,629,390,034	$ 7,030,697,092
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	$ 49,366	$ 49,366	$ 49,366	$ 6,430,941	$ 49,366
	PRODUCTION PLANT:					
37	STEAM	1,324,726,760	1,305,744,340	1,263,751,607	1,216,234,483	1,178,589,101
38	NUCLEAR	2,053,972,975	2,030,276,548	543,907,744	546,124,002	476,458,346
39	HYDRAULIC	294,781,306	276,845,933	269,889,006	261,917,011	252,909,642
40	OTHER	21,121,499	20,064,051	19,961,733	27,320,903	26,634,643
41	TRANSMISSION PLANT	1,016,720,881	988,132,236	914,961,795	860,455,194	842,525,407
42	DISTRIBUTION PLANT	1,794,797,929	1,682,048,233	1,578,176,899	1,485,789,618	1,409,744,921
43	GENERAL PLANT	190,770,368	166,822,073	162,351,860	127,753,132	90,208,936
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	379,457,482	360,811,810	355,624,473	381,618,890	358,759,633
47	TOTAL ELECTRIC PLANT IN SERVICE	7,076,398,566	6,830,794,590	5,108,674,483	4,913,644,174	4,635,879,995
48	PLANT LEASED TO OTHERS	2,049,293	1,745,618	1,804,085	2,434,726	1,108,341
49	PLANT HELD FOR FUTURE USE	3,347,914	3,347,914	2,718,264	-	-
50	CONSTRUCTION WORK IN PROGRESS	336,481,617	276,713,877	1,764,812,788	2,797,297,843	2,320,799,505
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	7,418,277,390	7,112,601,999	6,878,009,620	7,713,376,743	6,957,787,841
53	ACCUM. PROV. FOR DEPR. AND AMORT.	2,048,604,275	1,871,201,838	1,709,439,863	1,573,615,013	1,453,576,676
54	NET ELECTRIC UTILITY PLANT	5,369,673,115	5,241,400,161	5,168,569,757	6,139,761,730	5,504,211,165
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	6,830,794,590	5,108,674,483	4,913,644,174	4,635,879,995	4,367,485,940
56	ADDITIONS	272,512,673	1,746,974,781	282,657,474	415,819,127	294,485,651
57	RETIREMENTS	26,390,624	19,523,238	28,260,016	25,917,846	26,107,203
58	TRANSFERS AND ADJUSTMENTS	518,073-	5,331,436-	59,367,149-	112,137,102-	15,607
59	END OF YEAR	$ 7,076,398,566	$ 6,830,794,590	$ 5,108,674,483	$ 4,913,644,174	$ 4,635,879,995

*EXCLUDES ALLOCATION OF COMMON PLANT

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

LIABILITIES AND OTHER CREDITS

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMMON STOCK ISSUED	$ 136,099,654	$ 135,633,096	$ 128,953,424	$ 127,140,994	$ 126,928,340	1
PREFERRED STOCK ISSUED	575,510,075	603,490,050	660,470,025	697,850,000	682,900,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	1,326,878,584	1,321,503,454	1,237,501,048	1,214,854,083	1,210,463,925	5
OTHER PAID-IN CAPITAL	334,222,230	334,222,230	334,222,230	334,222,230	334,222,230	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	15,825,390-	15,963,392-	16,569,500-	16,517,769-	14,447,457-	8
RETAINED EARNINGS	25,431,778	18,362,340	25,264,179	864,924,625	791,934,619	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	103,714,059	86,806,112	78,475,170	56,925,932	50,180,588	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	2,486,030,990	2,484,053,890	2,448,316,576	3,279,400,095	3,182,182,245	12
BONDS (LESS BONDS REACQUIRED)	2,386,191,000	2,135,943,000	2,073,136,000	2,246,141,000	2,129,751,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	1,010,438,011	959,350,561	896,842,853	637,855,304	570,127,872	15
NET UNAMORTIZED PREMIUM + DISCOUNT	1,027,212-	893,246-	293,866	67,143-	1,548,166	16
TOTAL LONG-TERM DEBT	3,395,601,799	3,094,400,315	2,970,272,719	2,883,929,161	2,701,427,038	17
NOTES PAYABLE	50,445,000	108,000,000	50,005,000	100,012,500	5,000,000	18
ACCOUNTS PAYABLE	308,397,261	233,180,037	174,662,177	159,532,569	214,804,855	19
PAYABLES TO ASSOCIATED COMPANIES	254,992	1,279,619	2,152,358	2,392,257	2,458,434	20
CUSTOMER DEPOSITS	9,952,035	9,882,334	9,588,132	8,559,771	7,740,695	21
TAXES ACCRUED	8,035,530	11,632,387	15,194,374	7,144,051	6,257,947	22
INTEREST ACCRUED	81,515,197	71,827,825	70,399,429	68,742,853	76,276,750	23
DIVIDENDS DECLARED	-	90	-	-	-	24
TAX COLLECTIONS PAYABLE	7,404,916	6,440,232	9,768,927	5,946,244	6,112,126	25
OTHER CURRENT AND ACCRUED LIABILITIES	83,979,991	130,839,020	280,246,376	253,980,186	176,232,371	26
TOTAL CURRENT AND ACCRUED LIABILITIES	549,984,922	573,081,544	612,016,773	606,310,431	494,883,178	27
CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	240,430,000	249,546,000	252,453,000	267,450,000	219,198,000	30
OTHER DEFERRED CREDITS	433,008,308	343,674,258	284,811,917	182,936,347	120,976,631	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	1,164,000	1,548,000	2,502,000	3,695,000	4,943,000	32
LIBERALIZED DEPRECIATION	351,453,000	272,053,000	160,099,000	275,052,000	221,263,000	33
OTHER	157,127,000	129,660,393	121,004,393	130,617,000	85,824,000	34
TOTAL DEFERRED CREDITS	1,183,182,308	996,481,651	820,870,310	859,750,347	652,204,631	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVE	-	-	-	-	-	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	-	-	-	-	-	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 7,614,800,019	$ 7,148,017,400	$ 6,851,476,378	$ 7,629,390,034	$ 7,030,697,092	41

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985	LINE NO.
CURRENT ASSETS / BY CURRENT LIABILITIES	1.29	0.97	0.81	0.98	0.96	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	57.7	55.4	54.8	46.7	45.9	43
PREFERRED STOCK	9.7	10.8	12.1	11.3	11.6	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	32.0	33.3	32.5	27.8	29.0	45
RETAINED EARNINGS	0.4	0.3	0.4	14.0	13.4	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.0	39.1	38.9	34.2	35.5	47
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	27.4	26.2	24.9	20.8	21.2	48

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Statement of Cash Flows
Niagara Mohawk Power Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$150,783,000	$208,814,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	230,741,000	197,763,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	47,820,000	122,748,000
4	Deferred Taxes & ITCs	80,836,000	82,329,000
5	Current Income Taxes & Other Taxes Payable	(2,632,000)	(6,891,000)
6	Interest Payable	9,687,000	1,428,000
7	Equity In Loss (Earnings) Of Affiliates	(16,908,000)	(8,331,000)
8	Capitalized AFDUC - Equity Funds	(10,085,000)	(5,149,000)
9	Other Adjustments	(106,972,000)	(157,857,000)
10	Total Adjustments	232,487,000	226,040,000
11	Net Cash From Operating Activities	383,270,000	434,854,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(398,839,000)	(293,153,000)
13	Acquisition Of Other Non-current Assets	2,888,000	(13,113,000)
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(12,936,000)	(4,093,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	743,000	1,905,000
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		(171,100,000)
22	Net Cash From Investing Activities	(408,144,000)	(479,554,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	301,348,000	125,314,000
24	Common Stock	5,841,000	90,682,000
25	Preferred Stock	(27,980,000)	(56,980,000)
26	Short-term Debt	(57,555,000)	57,995,000
27	Dividends Paid	(126,805,000)	(207,385,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(47,881,000)	29,640,000
30	Net Cash From Financing Activities	46,968,000	39,266,000
31	Net Incr./(Decr.) In Cash & Cash Equivalents	22,094,000	(5,434,000)
32	Cash & Cash Equivalents At Beginning Of Year	17,610,000	23,043,000
33	Cash & Cash Equivalents At End Of Year	$39,704,000	$17,609,000

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 2,402,037,005	$ 2,332,888,935	$ 2,149,942,539	$ 2,110,856,584	$ 2,078,134,522	1
OPERATION AND MAINTENANCE EXPENSE	1,441,315,640	1,288,604,350	1,124,236,691	1,138,046,215	1,194,851,080	2
DEPRECIATION EXPENSE	193,388,966	165,685,879	141,037,832	136,628,336	126,172,201	3
AMORTIZATION	700,062	691,846	1,353,065	4,261,186	10,700,389	4
TAXES OTHER THAN INCOME TAXES	303,781,381	279,821,800	257,850,791	243,859,572	228,902,577	5
INCOME TAXES	17,872,000	58,286,319	92,346,000	90,136,458	18,397,156	6
PROVISION FOR DEFERRED INCOME TAXES	132,973,000	128,208,000	118,806,000	144,805,000	156,814,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	64,529,393-	67,247,000-	32,568,000-	34,432,000-	18,336,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	391,239-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	380,667	380,667	285,500	-	-	11
TOTAL OPERATING EXPENSES	2,025,882,323	1,854,431,861	1,703,347,879	1,723,304,767	1,717,110,164	12
NET OPERATING REVENUES	376,154,682	478,457,074	446,594,660	387,551,817	361,024,358	13
INC.- LEASED PLT. & OTHER	136,997	156,948	155,689	49,223	46,583	14
ELECTRIC OPERATING INCOME	376,291,679	478,614,022	446,750,349	387,601,040	361,070,941	15
OTHER UTILITY OPERATING INCOME	42,704,732	38,716,647	32,809,013	48,511,246	43,721,003	16
TOTAL UTILITY OPERATING INCOME	418,996,411	517,330,669	479,559,362	436,112,286	404,791,944	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	304,627	290,825	315,053	232,362	35,537-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	16,907,947	8,330,943	21,822,343	7,467,736	11,580,528	21
INTEREST AND DIVIDEND INCOME	2,882,825	5,311,691	7,324,995	31,089,611	44,660,643	22
ALLOWANCE FOR CONSTRUCTION FUNDS	19,376,467	11,021,588	30,878,044	165,792,933	187,316,403	23
MISCELLANEOUS NONOPERATING INCOME	11,451,013	5,242,160	4,992,874	3,132,929	2,794,120	24
GAIN ON DISPOSITION OF PROPERTY	388,715	393,710	511,317	388,649	861,265	25
TOTAL OTHER INCOME	51,311,594	30,590,917	65,844,626	208,104,220	247,177,422	26
TOTAL INCOME	470,308,005	547,921,586	545,403,988	644,216,506	651,969,366	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	849,960	138,266-	893,451	2,567,698	1,201,739	28
INCOME TAXES-NONOPERATING	14,770,000-	13,587,000-	17,622,000-	32,293,000-	26,454,447-	29
LOSS ON DISPOSITION OF PROPERTY	8,047-	64,703	226,753	206,615	126,276	30
MISCELLANEOUS AMORTIZATION	1,166,496	1,153,631	1,252,574	693,953	427,091	31
MISCELLANEOUS INCOME DEDUCTIONS	26,585,605	79,396,303	15,886,151	3,914,752-	2,035,414-	32
TOTAL INCOME DEDUCTIONS	13,824,014	66,889,371	636,929	32,739,486-	26,734,755-	33
INCOME BEFORE INTEREST CHARGES	456,483,991	481,032,215	544,767,059	676,955,992	678,704,121	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	282,698,795	252,523,430	253,346,588	259,021,784	256,834,343	35
AMORT. OF DEBT DISCOUNT & EXPENSE	13,955,105	12,773,839	11,580,289	5,783,881	4,312,187	36
AMORT. OF PREMIUM ON DEBT-CREDIT	304,204-	313,475-	336,087-	345,493-	354,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,351,919	7,234,598	4,389,928	14,630,907	6,482,230	39
TOTAL INTEREST CHARGES	305,701,615	272,218,392	268,980,718	279,091,079	267,274,087	40
INCOME BEFORE EXTRAORDINARY ITEMS	150,782,376	208,813,823	275,786,341	397,864,913	411,430,034	41
EXTRAORDINARY ITEMS - NET	-	-	833,000,000-	-	-	42
NET INCOME	$ 150,782,376	$ 208,813,823	$ 557,213,659-	$ 397,864,913	$ 411,430,034	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 17,501,370	$ 24,565,946	$ 864,226,392	$ 791,236,386	$ 701,526,370	44
TRANSFERRED FROM INCOME	133,874,429	200,482,881	578,762,897-	391,119,569	401,486,524	45
APPROPRIATIONS	31,069,296	162,737	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	45,182,486	49,156,718	52,017,216	53,817,506	59,559,323	47
-COMMON STOCK	81,622,505	158,228,002	208,880,333	264,312,057	252,217,185	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	6,498,488-	17,501,370	24,565,946	864,226,392	791,236,386	50
APPROPRIATED RETAINED EARNINGS	31,930,266	860,970	698,233	698,233	698,233	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	103,714,059	86,806,112	78,475,170	56,925,932	50,180,588	52
TOTAL END OF YEAR	$ 129,145,837	$ 105,168,452	$ 103,739,349	$ 921,850,557	$ 842,115,207	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	83.1	83.6	82.5	79.9	77.6	54
NET INCOME-PERCENT OF OPERATING REVENUES	5.2	7.4	21.3-	15.0	15.3	55
PRETAX COVERAGE OF INTEREST CHARGES	1.8	2.2	2.7	3.1	3.1	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	77.2	99.1	-	76.8	71.6	57
RETURN ON COMMON EQUITY	5.5	8.7	-	13.5	14.9	58

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NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 840,351,433	$ 800,944,934	$ 733,525,395	$ 697,030,056	$ 642,859,221
2	COMMERCIAL AND INDUSTRIAL	1,353,927,216	1,280,816,262	1,211,675,584	1,208,901,351	1,139,915,009
3	PUBLIC STREET AND HIGHWAY LIGHTING	41,978,783	40,847,416	40,208,338	40,702,877	38,933,617
4	OTHER PUBLIC AUTHORITIES	51,109	150,480	119,686	63,482	66,346
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	-	-	-	-	-
7	TOTAL REVENUES - ULTIMATE CONSUMERS	2,236,308,541	2,122,759,092	1,985,529,003	1,946,697,766	1,821,774,193
8	RESALE	53,833,681	60,014,978	110,860,657	87,548,478	189,379,468
9	TOTAL REVENUES FROM ELECTRIC SALES	2,290,142,222	2,182,774,070	2,096,389,660	2,034,246,244	2,011,153,661
10	OTHER ELECTRIC OPERATING REVENUES	111,894,783	150,114,865	53,552,879	76,610,340	66,980,861
11	TOTAL ELECTRIC OPERATING REVENUES	$ 2,402,037,005	$ 2,332,888,935	$ 2,149,942,539	$ 2,110,856,584	$ 2,078,134,522
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	9,730,506	10,011,291	9,520,740	9,208,792	8,836,053
13	COMMERCIAL AND INDUSTRIAL	23,473,622	22,795,035	21,433,608	20,935,228	20,573,398
14	PUBLIC STREET AND HIGHWAY LIGHTING	220,506	223,132	223,427	227,231	232,406
15	OTHER PUBLIC AUTHORITIES	3,636	10,113	7,341	2,395	3,839
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	-	-	-	-	-
18	TOTAL SALES TO ULTIMATE CONSUMERS	33,428,270	33,039,572	31,185,116	30,373,645	29,645,696
19	SALES. NY POWER ATH. CUSTOMERS	-	-	-	-	-
20	MUNICIPAL DIST. AGENCY SALES	-	-	-	-	-
21	TOTAL SALES - FRANCHISE AREA	33,428,270	33,039,571	31,185,115	30,373,645	29,645,696
22	RESALE	1,053,081	1,723,797	3,873,536	3,166,004	4,888,562
23	TOTAL KILOWATT-HOUR SALES	34,481,351	34,763,368	35,058,652	33,539,648	34,534,257
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	1,333,775	1,313,354	1,294,404	1,276,423	1,259,434
25	COMMERCIAL AND INDUSTRIAL	144,347	141,372	139,154	137,237	135,678
26	PUBLIC STREET AND HIGHWAY LIGHTING	3,155	3,149	3,141	3,121	3,154
27	OTHER PUBLIC AUTHORITIES	3	4	4	4	4
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	-	-	-	-	-
30	TOTAL ULTIMATE CONSUMERS	1,481,280	1,457,879	1,436,703	1,416,785	1,398,270
31	RESALE	150	145	151	150	149
32	TOTAL CUSTOMERS	1,481,430	1,458,024	1,436,854	1,416,935	1,398,419
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 630.05	$ 609.85	$ 566.69	$ 546.08	$ 510.44
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	7,295	7,623	7,355	7,215	7,016
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	8.64	8.00	7.70	7.57	7.28
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 9,379.67	$ 9,059.90	$ 8,707.44	$ 8,808.86	$ 8,401.62
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	162,619	161,242	154,028	152,548	151,634
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	5.77	5.62	5.65	5.77	5.54
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 388,077,761	$ 331,704,076	$ 303,514,142	$ 297,890,145	$ 359,491,301
40	OTHER	70,483,270	76,264,592	57,249,635	56,836,945	57,301,174
41	TOTAL STEAM POWER EXPENSES	458,561,031	407,968,668	360,763,777	354,727,090	416,792,475
	NUCLEAR POWER					
42	FUEL	23,352,991	16,303,394	31,312,240	21,156,402	30,498,752
43	OTHER	150,481,466	82,724,158	14,313,045	19,693,118	17,567,344
44	TOTAL NUCLEAR POWER EXPENSES	173,834,457	99,027,552	45,625,285	40,849,520	48,066,096
	HYDRAULIC POWER					
45	WATER FOR POWER	2,026,385	2,310,745	2,019,741	2,109,678	1,517,694
46	OTHER	11,431,062	8,877,090	7,275,819	10,009,369	10,783,574
47	TOTAL HYDRAULIC POWER EXPENSES	13,457,447	11,187,835	9,295,560	12,119,047	12,301,268
	OTHER POWER GENERATION					
48	FUEL	3,954,397	2,160,610	861,797	813,924	1,406,192
49	OTHER	1,273,942	803,995	605,954	893,029	458,904
50	TOTAL OTHER POWER GENERATION EXPENSE	5,228,339	2,964,605	1,467,751	1,706,953	1,865,096
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	362,498,984	352,435,573	327,521,733	351,451,883	371,895,818
52	OTHER	3,537,306	670,746	4,378,059	3,850,264	2,823,926
53	TOTAL OTHER POWER SUPPLY EXPENSES	366,036,290	353,106,319	331,899,792	355,302,147	374,719,744
54	TOTAL POWER PRODUCTION EXPENSES	1,017,117,564	874,254,979	749,052,165	764,704,757	853,744,679
55	TRANSMISSION EXPENSES	43,681,366	39,634,563	34,891,900	27,979,253	25,718,521
56	DISTRIBUTION EXPENSES	110,416,637	110,061,596	99,959,503	98,863,101	93,844,397
57	CUSTOMER ACCOUNTS EXPENSES	49,364,979	43,687,958	42,572,186	41,664,521	37,637,078
58	SALES EXPENSES	9,991,899	10,088,610	10,122,706	11,987,029	9,659,653
59	ADMINISTRATIVE AND GENERAL	210,743,195	210,876,644	187,638,231	192,647,554	174,246,752
60	TOTAL O & M EXPENSES	$ 1,441,315,640	$ 1,288,604,350	$ 1,124,236,691	$ 1,138,046,215	$ 1,194,851,080

NIAGARA MOHAWK POWER CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 2,348,203,324	$ 2,272,873,957	$ 2,039,081,882	$ 2,023,308,106	$ 1,888,755,054	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	33,428,270	33,039,571	31,185,115	30,373,645	29,645,696	2
DOLLAR AMOUNTS						
FUEL AND PURCHASED POWER	$ 756,708,516	$ 669,380,655	$ 576,835,069	$ 596,765,463	$ 614,686,907	3
WAGES AND BENEFITS	382,231,484	339,195,807	289,996,337	276,974,369	261,541,671	4
OTHER OPERATION AND MAINTENANCE EXPENSES	278,364,227	242,994,067	165,266,976	184,434,588	163,564,507	5
DEPRECIATION AND AMORTIZATION EXPENSES	194,089,028	166,377,725	142,390,897	140,889,522	136,872,590	6
INCOME TAXES - OPERATING	86,315,607	119,247,319	178,584,000	200,509,458	156,483,917	7
OTHER TAXES - OPERATING	303,781,381	279,821,800	257,850,791	243,859,572	228,902,577	8
*INTEREST CHARGES **	265,344,500	244,197,902	239,980,495	176,257,393	159,619,063	9
*PREFERRED DIVIDENDS **	37,314,863	43,978,190	46,109,909	33,700,437	34,711,312	10
EARNINGS AVAILABLE FOR COMMON EQUITY	44,053,718	167,680,493	142,067,408	169,917,303	132,372,510	11
TOTAL	$ 2,348,203,324	$ 2,272,873,957	$ 2,039,081,882	$ 2,023,308,106	$ 1,888,755,054	12
PERCENT OF REVENUES - ULTIMATE CONSUMERS						
FUEL AND PURCHASED POWER	32.2	29.5	28.3	29.5	32.5	13
WAGES AND BENEFITS	16.3	14.9	14.2	13.7	13.8	14
OTHER OPERATION AND MAINTENANCE EXPENSES	11.9	10.7	8.1	9.1	8.7	15
DEPRECIATION AND AMORTIZATION EXPENSES	8.3	7.3	7.0	7.0	7.2	16
INCOME TAXES - OPERATING	3.7	5.2	8.8	9.9	8.3	17
OTHER TAXES - OPERATING	12.9	12.3	12.6	12.1	12.1	18
*INTEREST CHARGES **	11.3	10.7	11.8	8.7	8.5	19
*PREFERRED DIVIDENDS **	1.6	1.9	2.3	1.7	1.8	20
EARNINGS AVAILABLE FOR COMMON EQUITY	1.9	7.4	7.0	8.4	7.0	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER KWH						
FUEL AND PURCHASED POWER	2.26	2.03	1.84	1.96	2.07	23
WAGES AND BENEFITS	1.14	1.03	0.93	0.91	0.88	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.83	0.74	0.53	0.61	0.55	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.58	0.50	0.46	0.46	0.46	26
INCOME TAXES - OPERATING	0.26	0.36	0.57	0.66	0.53	27
OTHER TAXES - OPERATING	0.91	0.85	0.83	0.80	0.77	28
*INTEREST CHARGES **	0.79	0.74	0.77	0.58	0.54	29
*PREFERRED DIVIDENDS **	0.11	0.13	0.15	0.11	0.12	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.13	0.51	0.46	0.56	0.45	31
TOTAL	7.02	6.88	6.54	6.66	6.37	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	91.47	91.85	92.29	93.74	93.42	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

ORANGE AND ROCKLAND UTILITIES, INC
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 706,082,055	$ 675,729,588	$ 654,178,608	$ 582,096,182	$ 515,945,973
2	ACCUM PROV FOR DEPR AND AMORT	200,881,518	190,107,488	179,721,418	169,811,223	163,065,039
3	NET ELECTRIC UTILITY PLANT	505,200,537	485,622,100	474,457,191	412,284,959	352,880,934
4	OTHER UTILITY PLANT	191,999,542	185,856,274	170,607,906	160,341,540	141,784,799
5	ACCUM PROV FOR DEPR AND AMORT	64,114,455	59,603,239	54,493,867	48,681,323	42,051,455
6	NET OTHER UTILITY PLANT	127,885,087	126,253,035	116,114,038	111,660,217	99,733,344
7	TOTAL UTILITY PLANT	898,081,597	861,585,862	824,786,514	742,437,722	657,730,772
8	ACCUM PROV FOR DEPR AND AMORT	264,995,973	249,710,727	234,215,285	218,492,546	205,116,494
9	NET TOTAL UTILITY PLANT	633,085,624	611,875,135	590,571,229	523,945,176	452,614,278
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPR AND AMORT	94,374	129,957	106,818	72,733	83,506
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	77,797,391	70,231,172	69,081,866	66,140,629	61,225,798
13	OTHER INVESTMENTS	54,477	217,043	1	1	1
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	77,946,242	70,578,172	69,188,685	66,213,363	61,309,305
16	CASH	4,034,469	2,210,672	1,661,693	7,920,155	4,823,254
17	SPECIAL DEPOSITS	5,700	1,200	735,072	666,622	568,228
18	WORKING FUNDS	65,256	37,422	90,649	205,936	104,852
19	TEMPORARY CASH INVESTMENTS	-	-	552,000	-	-
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM PROV FOR UNCOLLECTIBLE ACCOUNTS	46,098,253	38,848,907	28,500,531	30,773,098	34,982,563
21	RECEIVABLES FROM ASSOCIATED COMPANIES	12,519,265	11,133,096	13,584,297	8,965,971	7,764,500
22	MATERIALS AND SUPPLIES	16,058,221	15,250,335	16,484,098	14,353,966	17,662,295
23	PREPAYMENTS	17,244,265	17,704,954	19,296,147	16,391,992	14,062,863
24	OTHER CURRENT AND ACCRUED ASSETS	43,620,857	32,724,588	33,656,818	31,677,415	38,772,440
25	TOTAL CURRENT AND ACCRUED ASSETS	139,646,286	117,911,174	114,561,305	110,955,154	118,740,996
26	UNAMORTIZED DEBT EXPENSE	3,994,390	4,091,785	4,292,338	4,494,870	4,686,684
27	EXTRAORDINARY PROPERTY LOSSES	26,072,981	28,894,610	31,511,869	33,821,591	34,850,943
28	PREL. SURVEY & INVESTIGATION CHARGES	1,285,639	1,076,768	255,697	186,947	546,860
29	CLEARING ACCOUNTS	403-	-	-	-	1,718
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	2,523,679	2,186,441	1,466,401	14,152	290,191-
32	ACCUMULATED DEFERRED INCOME TAXES	6,022,610	5,213,993	3,580,439	2,368,323	1,148,149
33	OTHER DEFERRED DEBITS	24,449,161	20,750,113	17,179,009	6,603,062	12,567,184
34	TOTAL DEFERRED DEBITS	64,348,057	62,213,710	58,285,753	47,488,945	53,511,347
35	TOTAL ASSETS AND OTHER DEBITS	$ 915,026,209	$ 862,578,191	$ 832,606,972	$ 748,602,638	$ 686,175,926
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	$ 20,657	$ 20,657	$ 20,657	$ 20,657	$ 20,657
	PRODUCTION PLANT					
37	STEAM	317,299,716	310,026,845	309,504,416	177,684,067	177,735,879
38	NUCLEAR	-	-	-	-	-
39	HYDRAULIC	25,467,806	25,791,172	25,006,[illegible]	13,093,315	12,969,644
40	OTHER	4,503,576	4,506,198	4,788,762	5,090,997	5,346,765
41	TRANSMISSION PLANT	94,620,365	90,635,975	90,629,132	87,363,387	87,386,193
42	DISTRIBUTION PLANT	214,444,722	194,671,699	185,643,123	176,027,663	166,069,973
43	GENERAL PLANT	23,827,058	22,807,624	21,771,902	20,930,557	30,164,964
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	-	-	-	-	-
47	TOTAL ELECTRIC PLANT IN SERVICE	680,183,900	648,460,170	637,364,513	480,210,643	479,694,075
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	1,841,618	3,127,920	3,683,163	4,240,215	4,240,215
50	CONSTRUCTION WORK IN PROGRESS	24,056,537	24,141,498	13,130,932	97,645,324	32,011,683
51	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
52	TOTAL ELECTRIC UTILITY PLANT	706,082,055	675,729,588	654,178,608	582,096,182	515,945,973
53	ACCUM. PROV. FOR DEPR. AND AMORT.	200,881,518	190,107,488	179,721,418	169,811,223	163,065,039
54	NET ELECTRIC UTILITY PLANT	505,200,537	485,622,100	474,457,191	412,284,959	352,880,934
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	648,460,170	637,364,513	480,210,643	479,694,075	465,091,903
56	ADDITIONS	37,474,038	19,476,077	161,732,094	16,895,475	17,197,713
57	RETIREMENTS	6,702,107	9,074,425	4,547,920	6,118,469	2,585,657
58	TRANSFERS AND ADJUSTMENTS	951,799	694,005	30,304-	10,260,438-	9,884-
59	END OF YEAR	$ 680,183,900	$ 648,460,170	$ 637,364,513	$ 480,210,643	$ 479,694,075

*EXCLUDES ALLOCATION OF COMMON PLANT

ORANGE AND ROCKLAND UTILITIES, INC
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 64.661,110	$ 63,638,775	$ 63,153,630	$ 63,146,955	$ 63,130,810	1
PREFERRED STOCK ISSUED	54,467,970	56,045,657	57,451,333	58,865,744	60,322,164	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	113,121,465	108,280,001	105,883,079	105,860,383	105,806,315	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	5,910,960-	5,846,181-	5,825,566-	5,826,406-	5,848,720-	8
RETAINED EARNINGS	92,283,141	88,735,492	77,554,565	71,319,465	66,807,220	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	48,474,411	40,908,192	42,856,785	39,915,548	35,000,717	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	367,097,137	351,761,936	341,073,826	333,281,689	325,218,506	12
BONDS (LESS BONDS REACQUIRED)	160,000,000	160,000,000	170,000,000	170,000,000	170,000,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	101,557,243	101,946,756	102,504,593	59,867,807	25,057,702	15
NET UNAMORTIZED PREMIUM - DISCOUNT	336,172-	326,787-	315,010-	300,419-	285,827-	16
TOTAL LONG-TERM DEBT	261,221,071	261,619,969	272,189,583	229,567,388	194,771,875	17
NOTES PAYABLE	86,650,000	60,000,000	36,500,000	22,000,000	4,500,000	18
ACCOUNTS PAYABLE	51,815,568	52,438,288	44,380,066	45,508,262	42,739,124	19
PAYABLES TO ASSOCIATED COMPANIES	32,826	1,031,597	1,483,078	1,020,625	312,179	20
CUSTOMER DEPOSITS	2,122,761	2,275,721	2,454,455	2,127,738	2,054,542	21
TAXES ACCRUED	4,937,869	4,320,923	2,932,961	3,656,481	3,173,533	22
INTEREST ACCRUED	6,545,757	6,485,368	6,501,144	3,310,015	5,006,474	23
DIVIDENDS DECLARED	861,909	890,077	918,246	1,058,902	1,002,799	24
TAX COLLECTIONS PAYABLE	287,874	319,187	321,239	351,355	332,310	25
OTHER CURRENT AND ACCRUED LIABILITIES	22,106,318	15,700,921	22,926,079	18,967,156	19,035,353	26
TOTAL CURRENT AND ACCRUED LIABILITIES	175,360,882	143,462,082	118,417,268	98,000,534	78,156,314	27
CUSTOMER ADVANCES FOR CONSTRUCTION	867,281	855,029	853,519	838,316	755,943	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	19,105,544	20,102,354	21,164,288	20,588,775	15,784,513	30
OTHER DEFERRED CREDITS	8,360,742	6,420,263	9,141,503	4,005,861	11,365,288	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	9,162,789	6,052,181	3,293,429	1,154,977	1,067,326	32
LIBERALIZED DEPRECIATION	55,558,228	51,004,175	45,143,500	39,524,500	34,136,101	33
OTHER	16,324,379	18,803,692	18,479,800	16,519,926	22,693,658	34
TOTAL DEFERRED CREDITS	109,378,963	103,237,694	98,076,039	84,632,355	85,802,829	35
PROPERTY INSURANCE RESERVE	445,921	445,921	445,921	445,921	445,921	36
INJURIES AND DAMAGE RESERVE	2,608,939	2,075,188	2,388,506	2,413,703	1,553,326	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	1,086,704-	24,599-	15,829	261,048	227,155	39
TOTAL OPERATING RESERVES	1,968,156	2,496,510	2,850,256	3,120,672	2,226,402	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 915,026,209	$ 862,578,191	$ 832,606,972	$ 748,602,638	$ 686,175,926	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.80	0.82	0.97	1.13	1.52	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	41.5	42.6	44.3	40.7	37.4	43
PREFERRED STOCK	8.6	9.1	9.3	10.4	11.6	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	35.0	33.7	33.6	36.0	38.0	45
RETAINED EARNINGS	14.6	14.4	12.6	12.6	12.8	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	29.0	30.3	33.0	30.9	29.6	47
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	29.5	28.9	28.3	29.4	31.1	48

Statement of Cash Flows
Orange & Rockland Utilities, Inc.
For The Year Ended December 31

		1989	1988
		------	------
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$44,143,625	$44,238,095
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	25,205,166	24,360,739
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(7,802,079)	(6,856,740)
4	Deferred Taxes & ITCs	3,379,921	(587,547)
5	Current Income Taxes & Other Taxes Payable	585,633	1,385,911
6	Interest Payable	60,389	(15,776)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(1,408,867)	6,247,831
9	Other Adjustments	(4,367,879)	(1,013,754)
10	Total Adjustments	15,652,284	23,520,664
11	Net Cash From Operating Activities	59,795,909	67,758,759
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(47,894,901)	(46,078,494)
13	Acquisition Of Other Non-current Assets		-
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(7,566,219)	(3,889,953)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(55,461,120)	(49,968,447)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(389,513)	(10,557,837)
24	Common Stock	5,863,799	2,882,067
25	Preferred Stock	(1,577,687)	(1,405,676)
26	Short-term Debt	26,650,000	23,500,000
27	Dividends Paid	(33,029,757)	(32,265,114)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(2,483,158)	(17,846,560)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	1,851,631	(56,248)
32	Cash & Cash Equivalents At Beginning Of Year	2,248,094	2,304,342
33	Cash & Cash Equivalents At End Of Year	$4,099,725	$2,248,094

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 356,534,146	$ 336,025,011	$ 304,238,556	$ 296,927,398	$ 338,114,859	1
OPERATION AND MAINTENANCE EXPENSE	220,296,231	194,140,059	178,519,666	178,610,525	216,896,606	2
DEPRECIATION EXPENSE	19,916,153	19,253,170	15,713,673	14,408,891	14,344,136	3
AMORTIZATION	3,245,467	2,869,228	2,492,377	2,041,112	2,092,812	4
TAXES OTHER THAN INCOME TAXES	44,770,339	43,056,751	40,622,195	38,800,636	37,861,733	5
INCOME TAXES	9,877,781	14,499,091	13,047,882	20,080,731	23,401,430	6
PROVISION FOR DEFERRED INCOME TAXES	8,090,014	8,997,456	10,770,220	7,435,006	6,176,989	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	3,228,114-	4,957,856-	3,357,543-	4,683,313-	3,933,407-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	5,729	-	-	-	11
TOTAL OPERATING EXPENSES	302,967,871	277,863,628	257,808,470	256,693,588	296,840,299	12
NET OPERATING REVENUES	53,566,275	58,161,383	46,430,086	40,233,810	41,274,560	13
INC. - LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	53,566,275	58,161,383	46,430,086	40,233,810	41,274,560	15
OTHER UTILITY OPERATING INCOME	10,539,509	7,484,185	7,111,904	6,110,206	6,769,699	16
TOTAL UTILITY OPERATING INCOME	64,105,784	65,645,568	53,541,990	46,344,016	48,044,259	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	5,192-	-	-	-	-	19
NONOPERATING RENTAL INCOME	6,159-	950-	1,071	302	11,619-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	7,566,219	3,889,953	2,941,237	4,914,831	4,040,253	21
INTEREST AND DIVIDEND INCOME	351,181	685,983	1,655,161	272,190	669,188	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,408,867	587,547	5,983,270	9,351,230	1,643,130	23
MISCELLANEOUS NONOPERATING INCOME	177,355-	220,570-	95,317-	175,483-	170,186-	24
GAIN ON DISPOSITION OF PROPERTY	-	8,822	1	132,645	204,834	25
TOTAL OTHER INCOME	9,137,561	4,950,785	10,485,423	14,495,715	6,375,600	26
TOTAL INCOME	73,243,345	70,596,353	64,027,413	60,839,731	54,419,859	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	41,291	38,345	38,819	34,927	36,066	28
INCOME TAXES-NONOPERATING	1,187,466-	1,282,375-	2,711,640-	2,832,867-	1,434,944-	29
LOSS ON DISPOSITION OF PROPERTY	-	32,752	5,893	530	43	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	763,784	840,250	539,631	632,869	439,908	32
TOTAL INCOME DEDUCTIONS	382,391-	371,028-	2,127,297-	2,164,541-	958,927-	33
INCOME BEFORE INTEREST CHARGES	73,625,736	70,967,381	66,154,710	63,004,272	55,378,786	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	21,667,676	21,872,473	22,119,122	22,119,959	14,157,366	35
AMORT. OF DEBT DISCOUNT & EXPENSE	230,394	232,330	234,479	234,376	179,753	36
AMORT. OF PREMIUM ON DEBT-CREDIT	41,163-	43,554-	46,369-	46,370-	46,369-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	7,625,204	4,668,037	2,943,194	288,210-	1,330,736	39
TOTAL INTEREST CHARGES	29,482,111	26,729,286	25,250,426	22,019,755	15,621,486	40
INCOME BEFORE EXTRAORDINARY ITEMS	44,143,625	44,238,095	40,904,284	40,984,517	39,757,300	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 44,143,625	$ 44,238,095	$ 40,904,284	$ 40,984,517	$ 39,757,300	43
RETAINED EARNINGS						
BALANCE BEGINNING OF YEAR	$ 88,735,492	$ 80,652,464	$ 71,319,465	$ 66,807,220	$ 64,858,456	44
TRANSFERRED FROM INCOME	36,577,406	40,348,142	37,963,047	36,069,686	35,717,047	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	3,822,956	3,940,392	3,941,363	4,281,253	4,284,360	47
-COMMON STOCK	29,206,801	28,324,722	27,786,584	27,276,188	26,386,024	48
ADJUSTMENTS	-	-	-	-	3,097,899-	49
BALANCE END OF YEAR	92,283,141	88,735,492	77,554,565	71,319,465	66,807,220	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	48,474,411	40,908,192	42,856,785	39,915,548	35,000,717	52
TOTAL END OF YEAR	$ 140,757,552	$ 129,643,684	$ 120,411,350	$ 111,235,013	$ 101,807,937	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	73.6	75.7	73.4	69.9	71.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	9.1	9.9	9.8	9.6	8.3	55
PRETAX COVERAGE OF INTEREST CHARGES	3.0	3.4	3.4	3.9	5.3	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	72.4	70.2	75.1	74.3	74.3	57
RETURN ON COMMON EQUITY	13.2	13.9	13.2	13.6	13.5	58

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ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 118,657,321	$ 112,605,253	$ 99,043,323	$ 97,212,929	$ 106,556,674
2	COMMERCIAL AND INDUSTRIAL	147,368,304	138,541,093	123,164,469	121,835,941	131,219,405
3	PUBLIC STREET AND HIGHWAY LIGHTING	3,455,523	3,378,040	3,271,117	3,336,394	3,551,375
4	OTHER PUBLIC AUTHORITIES	3,986,225	3,339,507	3,371,196	3,192,667	3,775,986
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	108,455	106,042	111,407	133,350	144,087
7	TOTAL REVENUES - ULTIMATE CONSUMERS	273,575,828	257,969,935	228,961,512	225,711,571	245,247,527
8	RESALE	80,598,032	72,226,137	67,710,952	64,284,566	90,147,443
9	TOTAL REVENUES FROM ELECTRIC SALES	354,173,860	330,196,072	296,672,464	289,996,137	335,394,970
10	OTHER ELECTRIC OPERATING REVENUES	2,360,286	5,828,939	7,566,092	6,931,261	2,719,889
11	TOTAL ELECTRIC OPERATING REVENUES	$ 356,534,146	$ 336,025,011	$ 304,238,556	$ 296,927,398	$ 338,114,859
	KILOWATT-HOUR SALES (THOUSANDS)					
12	RESIDENTIAL	997,400	964,794	867,112	808,374	822,920
13	COMMERCIAL AND INDUSTRIAL	1,716,806	1,662,650	1,547,302	1,440,701	1,353,702
14	PUBLIC STREET AND HIGHWAY LIGHTING	19,757	19,579	19,196	19,026	18,886
15	OTHER PUBLIC AUTHORITIES	68,095	61,488	60,239	55,196	55,282
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	3,304	3,060	3,026	2,942	2,955
18	TOTAL SALES TO ULTIMATE CONSUMERS	2,805,361	2,711,571	2,496,875	2,326,239	2,253,745
19	SALES: NY POWER ATH. CUSTOMERS	-	-	-	-	-
20	MUNICIPAL DIST. AGENCY SALES	6	40,632	63,421	53,482	-
21	TOTAL SALES - FRANCHISE AREA	2,805,367	2,752,203	2,560,295	2,379,720	2,253,744
22	RESALE	1,757,647	1,668,071	1,623,166	1,665,475	1,869,959
23	TOTAL KILOWATT-HOUR SALES	4,563,014	4,420,274	4,183,462	4,045,196	4,123,704
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	157,502	154,973	151,615	147,826	144,695
25	COMMERCIAL AND INDUSTRIAL	22,072	21,438	20,670	19,692	18,856
26	PUBLIC STREET AND HIGHWAY LIGHTING	411	402	395	395	400
27	OTHER PUBLIC AUTHORITIES	1	1	1	1	1
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	1	1	1	1	1
30	TOTAL ULTIMATE CONSUMERS	179,987	176,815	172,682	167,915	163,953
31	RESALE	6	7	7	6	6
32	TOTAL CUSTOMERS	179,993	176,822	172,689	167,921	163,959
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 753.37	$ 726.61	$ 653.26	$ 657.62	$ 736.42
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	6,333	6,226	5,719	5,468	5,687
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	11.90	11.67	11.42	12.03	12.95
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,676.71	$ 6,462.41	$ 5,958.61	$ 6,187.08	$ 6,959.03
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	77,782	77,556	74,857	73,162	71,792
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	8.58	8.33	7.96	8.46	9.69
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 109,887,527	$ 84,288,912	$ 72,250,372	$ 80,224,709	$ 109,595,730
40	OTHER	18,377,431	17,464,136	16,339,936	12,967,434	12,610,619
41	TOTAL STEAM POWER EXPENSES	128,264,958	101,753,048	88,590,308	93,192,143	122,206,349
	NUCLEAR POWER					
42	FUEL	-	-	-	-	-
43	OTHER	-	-	-	-	-
44	TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-
	HYDRAULIC POWER					
45	WATER FOR POWER	569,386	1,071,631	1,418,711	1,243,051	800,707
46	OTHER	1,259,331	1,211,840	1,102,176	1,111,028	1,129,037
47	TOTAL HYDRAULIC POWER EXPENSES	1,828,717	2,283,471	2,520,887	2,354,079	1,929,744
	OTHER POWER GENERATION					
48	FUEL	1,097,440	734,767	818,877	337,174	437,524
49	OTHER	936,028	808,123	940,290	884,672	877,014
50	TOTAL OTHER POWER GENERATION EXPENSE	2,033,468	1,542,890	1,759,167	1,221,846	1,314,538
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	25,916,125	29,760,114	32,319,754	28,521,304	42,178,233
52	OTHER	1,383,640	1,259,682	1,148,205	1,037,657	1,086,901
53	TOTAL OTHER POWER SUPPLY EXPENSES	27,299,765	31,019,796	33,467,959	29,558,961	43,265,134
54	TOTAL POWER PRODUCTION EXPENSES	159,426,908	136,599,205	126,338,321	126,327,029	168,715,765
55	TRANSMISSION EXPENSES	6,665,743	6,812,972	5,706,188	5,815,107	4,827,191
56	DISTRIBUTION EXPENSES	17,183,558	16,116,994	15,073,388	13,920,616	13,429,263
57	CUSTOMER ACCOUNTS EXPENSES	8,054,785	7,650,044	7,032,682	7,474,174	6,860,297
58	SALES EXPENSES	1,542,120	1,536,975	1,433,489	1,602,846	1,573,085
59	ADMINISTRATIVE AND GENERAL	27,423,117	25,423,869	22,935,598	23,470,753	21,491,005
60	TOTAL O & M EXPENSES	$ 220,296,231	$ 194,140,059	$ 178,519,666	$ 178,610,525	$ 216,896,606

ORANGE AND ROCKLAND UTILITIES, INC.
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 275,458,650	$ 260,756,156	$ 232,021,052	$ 228,767,084	$ 247,967,416	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	2,805,360	2,711,571	2,496,874	2,326,238	2,253,744	2
	DOLLAR AMOUNTS					
FUEL AND PURCHASED POWER	$ 87,926,777	$ 73,847,626	$ 64,811,049	$ 63,408,861	$ 80,339,958	3
WAGES AND BENEFITS	49,970,770	46,621,172	40,006,943	38,456,293	38,848,329	4
OTHER OPERATION AND MAINTENANCE EXPENSES	30,891,457	28,773,753	28,242,424	26,636,834	23,166,188	5
DEPRECIATION AND AMORTIZATION EXPENSES	23,102,799	21,768,032	17,728,248	16,073,270	16,436,948	6
INCOME TAXES - OPERATING	14,702,248	18,241,731	19,923,589	22,309,522	25,645,012	7
OTHER TAXES - OPERATING	44,656,641	42,367,050	39,556,101	37,912,035	37,861,733	8
*INTEREST CHARGES **	22,455,833	22,417,991	19,297,825	16,313,816	11,453,440	9
*PREFERRED DIVIDENDS **	3,213,940	3,269,405	2,879,526	2,778,537	3,437,891	10
EARNINGS AVAILABLE FOR COMMON EQUITY	1,461,816-	3,449,395	424,654-	4,877,917	10,777,917	11
TOTAL	$ 275,458,650	$ 260,756,156	$ 232,021,052	$ 228,767,084	$ 247,967,416	12
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
FUEL AND PURCHASED POWER	31.9	28.3	27.9	27.7	32.4	13
WAGES AND BENEFITS	18.1	17.9	17.2	16.8	15.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	11.2	11.0	12.2	11.6	9.3	15
DEPRECIATION AND AMORTIZATION EXPENSES	8.4	8.3	7.6	7.0	6.6	16
INCOME TAXES - OPERATING	5.3	7.0	8.6	9.8	10.3	17
OTHER TAXES - OPERATING	16.2	16.2	17.0	16.6	15.3	18
*INTEREST CHARGES **	8.2	8.6	8.3	7.1	4.6	19
*PREFERRED DIVIDENDS **	1.2	1.3	1.2	1.2	1.4	20
EARNINGS AVAILABLE FOR COMMON EQUITY	0.4-	1.3	0.1-	2.1	4.3	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
	CENTS PER KWH					
FUEL AND PURCHASED POWER	3.13	2.72	2.54	2.73	3.56	23
WAGES AND BENEFITS	1.78	1.72	1.60	1.65	1.72	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.10	1.06	1.13	1.15	1.03	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.82	0.80	0.71	0.69	0.73	26
INCOME TAXES - OPERATING	0.52	0.67	0.80	0.96	1.14	27
OTHER TAXES - OPERATING	1.59	1.56	1.58	1.63	1.68	28
*INTEREST CHARGES **	0.80	0.83	0.77	0.70	0.51	29
*PREFERRED DIVIDENDS **	0.11	0.12	0.12	0.12	0.15	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.04-	0.13	0.01-	0.21	0.48	31
TOTAL	9.82	9.62	9.29	9.83	11.00	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	84.30	84.45	86.24	83.65	81.93	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES.

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET AND STATEMENT OF ELECTRIC PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 1,884,391,986	$ 1,798,658,548	$ 1,715,411,854	$ 2,010,813,059	$ 1,845,454,152
2	ACCUM. PROV. FOR DEPR. AND AMORT.	653,762,752	583,068,048	522,105,761	512,805,815	481,211,395
3	NET ELECTRIC UTILITY PLANT	1,230,629,234	1,215,590,500	1,193,306,093	1,498,007,244	1,364,242,757
4	OTHER UTILITY PLANT	392,550,514	366,763,778	347,243,642	329,710,991	311,655,299
5	ACCUM. PROV. FOR DEPR. AND AMORT.	133,520,688	123,105,214	113,631,111	104,201,306	95,048,261
6	NET OTHER UTILITY PLANT	259,029,826	243,658,564	233,612,531	225,509,685	216,607,038
7	TOTAL UTILITY PLANT	2,276,942,500	2,165,422,326	2,062,655,496	2,340,524,050	2,157,109,451
8	ACCUM. PROV. FOR DEPR. AND AMORT.	787,283,440	706,173,262	635,736,872	617,007,121	576,259,656
9	NET TOTAL UTILITY PLANT	1,489,659,060	1,459,249,064	1,426,918,624	1,723,516,929	1,580,849,795
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	27,371	27,371	27,371	27,371	27,371
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,163,313	3,086,075	2,078,758	2,237,100	2,237,100
13	OTHER INVESTMENTS	340,854	290,759	290,759	290,759	290,759
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,531,538	3,404,205	2,396,888	2,555,230	2,555,230
16	CASH	648,198	95,137	686,718	1,363,403	1,154,964
17	SPECIAL DEPOSITS	90,399	111,168	98,118	41,000	5,463,259
18	WORKING FUNDS	1,555,389-	2,076,507-	73,059	114,799	72,079
19	TEMPORARY CASH INVESTMENTS	11,000,000	74,900,905	59,329,167	2,300,000	39,798,414
20	NOTES & ACCOUNTS RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	80,463,313	63,406,915	94,059,745	54,388,776	66,308,759
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	24,067,288	17,397,999	20,251,047	24,222,370	21,013,566
23	PREPAYMENTS	13,284,269	11,303,301	9,602,409	11,322,946	10,186,115
24	OTHER CURRENT AND ACCRUED ASSETS	60,529,722	48,629,708	249,340	66,312	183,744
25	TOTAL CURRENT AND ACCRUED ASSETS	188,527,800	213,768,626	184,349,603	93,819,606	144,180,900
26	UNAMORTIZED DEBT EXPENSE	11,075,397	13,072,272	14,678,074	12,022,078	9,081,381
27	EXTRAORDINARY PROPERTY LOSSES	3,220,556	8,933,508	17,543,508	42,576,501	48,116,001
28	PREL. SURVEY & INVESTIGATION CHARGES	223,384	232,015	650,781	1,499,151	1,705,398
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	332,574-	326,330-	224,012	422,953	52,535-
32	ACCUMULATED DEFERRED INCOME TAXES	52,891,189	51,458,647	64,013,540	10,424,822	9,912,541
33	OTHER DEFERRED DEBITS	85,968,172	72,092,406	93,499,203	40,801,785	13,513,143
34	TOTAL DEFERRED DEBITS	153,046,124	145,462,518	190,609,118	107,747,290	82,275,929
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,833,764,522	$ 1,821,884,413	$ 1,804,274,233	$ 1,927,639,055	$ 1,809,861,854
	ELECTRIC PLANT IN SERVICE*					
36	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT:					
37	STEAM	196,436,820	194,582,682	186,303,827	182,933,689	190,644,420
38	NUCLEAR	839,427,309	323,498,554	309,678,998	296,720,655	255,067,385
39	HYDRAULIC	17,110,529	16,441,286	15,551,946	15,815,664	13,769,459
40	OTHER	3,729,864	3,671,811	3,572,046	3,574,133	3,572,780
41	TRANSMISSION PLANT	155,637,222	152,887,951	147,297,924	145,395,865	143,755,487
42	DISTRIBUTION PLANT	381,366,168	367,311,957	350,216,831	334,273,755	316,217,634
43	GENERAL PLANT	11,694,319	495,591,998	14,619,766	13,655,855	17,922,827
44	ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
45	EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
46	NUCLEAR FUEL ASSEMBLIES	218,922,276	206,021,350	188,049,460	211,751,952	196,858,845
47	TOTAL ELECTRIC PLANT IN SERVICE	1,824,324,507	1,760,007,589	1,215,290,798	1,204,121,568	1,137,808,837
48	PLANT LEASED TO OTHERS	-	-	-	-	-
49	PLANT HELD FOR FUTURE USE	1,978,198	1,978,198	1,978,198	1,978,198	1,978,198
50	CONSTRUCTION WORK IN PROGRESS	56,131,675	34,636,850	496,028,644	802,520,774	703,396,293
51	PLANT ACQUISITION ADJUSTMENTS	1,957,606	2,035,911	2,114,215	2,192,519	2,270,824
52	TOTAL ELECTRIC UTILITY PLANT	1,884,391,986	1,798,658,548	1,715,411,854	2,010,813,059	1,845,454,152
53	ACCUM. PROV. FOR DEPR. AND AMORT.	653,762,752	583,068,048	522,105,761	512,805,815	481,211,395
54	NET ELECTRIC UTILITY PLANT	1,230,629,234	1,215,590,500	1,193,306,093	1,498,007,244	1,364,242,757
	PLANT IN SERVICE:					
55	BEGINNING OF YEAR	1,760,007,591	1,215,290,797	1,204,121,569	1,137,808,836	1,087,249,365
56	ADDITIONS	68,042,728	549,619,287	58,360,708	85,742,634	55,656,138
57	RETIREMENTS	3,919,585	4,842,555	47,134,233	19,328,988	5,237,933
58	TRANSFERS AND ADJUSTMENTS	193,773	59,940-	57,246-	100,913-	141,267
59	END OF YEAR	$ 1,824,324,507	$ 1,760,007,589	$ 1,215,290,797	$ 1,204,121,568	$ 1,137,808,837

*EXCLUDES ALLOCATION OF COMMON PLANT

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 156,289,840	$ 153,929,055	$ 150,606,875	$ 146,235,435	$ 142,484,495	1
PREFERRED STOCK ISSUED	97,000,000	97,000,000	118,609,000	112,110,000	114,547,500	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	371,816,349	365,416,681	357,549,355	345,652,805	330,575,694	5
OTHER PAID-IN CAPITAL	71,297	71,297	379,796	341,284	376,357	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	14,617,682-	14,509,679-	14,517,902-	12,525,240-	12,359,142-	8
RETAINED EARNINGS	59,024,510	39,862,025	17,775,280	249,505,014	216,794,787	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,041,111-	151,025-	158,342-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	668,543,203	641,618,354	630,244,062	841,319,298	792,419,691	12
BONDS (LESS BONDS REACQUIRED)	647,834,000	685,667,000	706,000,000	698,750,000	676,500,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	141,900,000	141,900,000	141,900,000	91,900,000	91,900,000	15
NET UNAMORTIZED PREMIUM + DISCOUNT	142,546	158,927	175,433	181,608	139,341-	16
TOTAL LONG-TERM DEBT	789,876,546	827,725,927	848,075,433	790,831,608	768,260,659	17
NOTES PAYABLE	-	-	-	18,000,000	-	18
ACCOUNTS PAYABLE	49,880,727	36,372,108	31,573,161	26,618,322	44,268,476	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	2,569,320	2,407,484	2,081,443	2,001,176	1,600,350	21
TAXES ACCRUED	13,410,930	5,991,574	3,422,738	3,681,967-	1,299,052	22
INTEREST ACCRUED	15,281,399	15,651,566	15,922,012	14,235,797	14,584,970	23
DIVIDENDS DECLARED	13,700,042	13,054,463	13,296,791	18,069,593	17,718,413	24
TAX COLLECTIONS PAYABLE	1,395,881	1,263,018	1,495,172	1,524,957	1,480,388	25
OTHER CURRENT AND ACCRUED LIABILITIES	12,123,672	12,801,339	15,359,713	11,065,824	7,958,557	26
TOTAL CURRENT AND ACCRUED LIABILITIES	108,361,971	87,541,552	83,151,030	87,833,702	88,910,206	27
CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	28
DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	63,948,959	64,374,186	68,136,923	86,156,106	76,011,458	30
OTHER DEFERRED CREDITS	75,837,752	95,133,745	90,892,154	45,494,416	22,453,671	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	109,182,919	95,999,915	77,949,095	52,402,121	41,178,286	33
OTHER	16,951,661	8,429,737	4,811,537	21,279,534	19,325,619	34
TOTAL DEFERRED CREDITS	265,921,291	263,937,583	241,789,709	206,332,177	158,969,034	35
PROPERTY INSURANCE RESERVE	1,061,511	1,060,997	1,013,999	758,845	463,115	36
INJURIES AND DAMAGE RESERVE	-	-	-	563,425	839,149	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	1,061,511	1,060,997	1,013,999	1,322,270	1,302,264	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,833,764,522	$ 1,821,884,413	$ 1,804,274,233	$ 1,927,639,055	$ 1,809,861,854	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.74	2.44	2.22	1.07	1.62	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	54.1	56.3	57.3	48.4	49.2	43
PREFERRED STOCK	6.6	6.6	8.0	6.8	7.3	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	35.1	34.3	33.4	29.3	29.5	45
RETAINED EARNINGS	4.0	2.7	1.2	15.2	13.8	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	34.6	38.2	41.1	33.7	35.6	47
ACCUM.PROVISION FOR DEPR. % OF UTILITY PLT	34.5	32.6	30.8	26.3	26.7	48

7C

Statement of Cash Flows
Rochester Gas & Electric Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$71,444,132	$76,114,408
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	98,526,394	91,152,985
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(10,219,933)	(10,150,509)
4	Deferred Taxes & ITCs	20,924,159	28,123,344
5	Current Income Taxes & Other Taxes Payable	7,042,356	2,568,836
6	Interest Payable	(370,167)	199,998
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(1,171,727)	(2,047,266)
9	Other Adjustments	(42,638,300)	26,507,072
10	Total Adjustments	72,092,782	136,354,460
11	Net Cash From Operating Activities	143,536,914	212,468,868
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(123,762,787)	(112,750,995)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	922,762	(1,007,317)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(1,844,477)	(49,464)
22	Net Cash From Investing Activities	(124,684,502)	(113,807,776)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(37,833,000)	(20,333,000)
24	Common Stock	8,760,453	11,189,506
25	Preferred Stock		(22,758,037)
26	Short-term Debt		
27	Dividends Paid	(52,526,160)	(53,422,140)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(101,200)	(493,780)
30	Net Cash From Financing Activities	(81,699,907)	(85,817,451)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(62,847,495)	12,843,641
32	Cash & Cash Equivalents At Beginning Of Year	73,030,703	60,187,062
33	Cash & Cash Equivalents At End Of Year	$10,183,208	$73,030,703

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC OPERATING INCOME:						
OPERATING REVENUES	$ 577,835,736	$ 543,582,619	$ 515,429,362	$ 486,961,648	$ 473,553,467	1
OPERATION AND MAINTENANCE EXPENSE	305,602,967	263,996,095	251,719,183	232,399,960	223,787,385	2
DEPRECIATION EXPENSE	57,892,550	51,755,548	40,196,830	38,135,588	34,803,696	3
AMORTIZATION	7,394,971	8,688,304	6,579,471	5,617,804	4,211,221	4
TAXES OTHER THAN INCOME TAXES	71,360,690	66,426,259	61,503,580	61,313,417	58,867,221	5
INCOME TAXES	12,643,877	15,152,489	23,891,042	30,082,325	22,761,038	6
PROVISION FOR DEFERRED INCOME TAXES	24,156,373	19,748,310	27,911,540	20,319,347	24,866,576	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	6,914,087-	807,791-	6,244,171-	1,649,532	4,439,822	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	3,229,655	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	472,137,341	424,959,214	408,787,129	389,517,973	373,736,959	12
NET OPERATING REVENUES	105,698,395	118,623,405	106,642,233	97,443,675	99,816,508	13
INC.- LEASED PLT. & OTHER	-	-	-	-	-	14
ELECTRIC OPERATING INCOME	105,698,395	118,623,405	106,642,233	97,443,675	99,816,508	15
OTHER UTILITY OPERATING INCOME	25,535,001	20,251,059	15,732,314	18,377,793	19,437,518	16
TOTAL UTILITY OPERATING INCOME	131,233,396	138,874,464	122,374,547	115,821,468	119,254,026	17
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	397-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	24,639-	7,317	158,342-	-	-	21
INTEREST AND DIVIDEND INCOME	6,093,378	6,470,288	3,000,423	1,456,100	5,099,936	22
ALLOWANCE FOR CONSTRUCTION FUNDS	4,286,333	3,824,205	29,825,491	44,805,667	52,732,548	23
MISCELLANEOUS NONOPERATING INCOME	4,079,130	1,386,869	6,343,750	5,344,106	306,575-	24
GAIN ON DISPOSITION OF PROPERTY	32,185	16,460	651,609	461,281	10,665	25
TOTAL OTHER INCOME	14,466,387	11,705,139	39,662,931	52,067,154	57,536,177	26
TOTAL INCOME	145,699,783	150,579,603	162,037,478	167,888,622	176,790,203	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	127,009	117,295	62,205	27,471	70,541	28
INCOME TAXES-NONOPERATING	738,597-	1,682,410-	8,559,622-	13,880,533-	13,344,232-	29
LOSS ON DISPOSITION OF PROPERTY	865,450	-	360,579	-	8,177,216	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	283,684	31
MISCELLANEOUS INCOME DEDUCTIONS	859,528	862,397	583,246	509,336	534,325	32
TOTAL INCOME DEDUCTIONS	1,113,390	702,718-	7,553,592-	13,343,726-	4,278,466-	33
INCOME BEFORE INTEREST CHARGES	144,586,393	151,282,321	169,591,070	181,232,348	181,068,669	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	68,627,656	72,270,332	73,489,016	74,570,833	70,372,960	35
AMORT. OF DEBT DISCOUNT & EXPENSE	2,248,062	2,115,284	1,845,569	1,147,134	833,145	36
AMORT. OF PREMIUM ON DEBT-CREDIT	30,243-	30,368-	31,389-	32,411-	33,617-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	161,995	-	-	-	38
OTHER INTEREST EXPENSE	896,786	650,670	1,000,104	1,027,945	1,427,700	39
TOTAL INTEREST CHARGES	71,742,261	75,167,913	76,303,300	76,713,501	72,600,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	72,844,132	76,114,408	93,287,770	104,518,847	108,468,481	41
EXTRAORDINARY ITEMS - NET	1,400,000-	-	262,000,000-	-	-	42
NET INCOME	$ 71,444,132	$ 76,114,408	$ 168,712,230-	$ 104,518,847	$ 108,468,481	43
RETAINED EARNINGS:						
BALANCE BEGINNING OF YEAR	$ 39,819,678	$ 17,732,933	$ 249,462,667	$ 216,752,440	$ 179,633,479	44
TRANSFERRED FROM INCOME	72,334,219	76,107,091	168,553,888-	104,518,847	108,468,481	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	6,025,000	7,347,870	8,146,869	8,057,705	9,467,448	47
-COMMON STOCK	47,146,734	45,831,937	55,028,977	63,750,915	61,882,072	48
ADJUSTMENTS	-	840,539-	-	-	-	49
BALANCE END OF YEAR	58,982,163	39,819,678	17,732,933	249,462,667	216,752,440	50
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	1,041,111-	151,025-	158,342-	-	-	52
TOTAL END OF YEAR	$ 57,983,399	$ 39,711,000	$ 17,616,938	$ 249,505,014	$ 216,794,787	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	68.6	70.2	70.4	65.0	62.5	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.4	9.8	22.9-	13.9	14.3	55
PRETAX COVERAGE OF INTEREST CHARGES	2.5	2.5	2.8	3.0	3.1	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	72.0	66.6	-	66.0	62.5	57
RETURN ON COMMON EQUITY	11.7	13.0	-	13.7	15.6	58

7E

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
YEARS ENDING DECEMBER 31

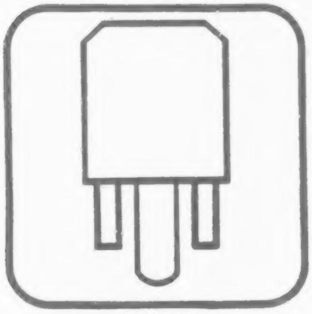
LINE NO.	ITEM	1989	1988	1987	1986	1985
	ELECTRIC OPERATING REVENUES					
	REVENUES:					
1	RESIDENTIAL	$ 199,129,231	$ 191,048,253	$ 178,933,403	$ 166,664,365	$ 155,193,512
2	COMMERCIAL AND INDUSTRIAL	290,092,946	274,138,527	264,616,393	253,397,803	232,426,664
3	PUBLIC STREET AND HIGHWAY LIGHTING	10,722,919	10,917,640	10,497,326	10,238,810	10,560,615
4	OTHER PUBLIC AUTHORITIES	35,232,523	33,318,744	31,761,160	30,301,831	27,654,453
5	RAILROADS AND RAILWAYS	-	-	-	-	-
6	INTERDEPARTMENTAL	-	-	-	-	-
7	TOTAL REVENUES - ULTIMATE CONSUMERS	535,177,619	509,423,164	485,808,282	460,602,809	425,835,244
8	RESALE	38,027,846	29,965,990	26,214,988	20,465,456	44,103,222
9	TOTAL REVENUES FROM ELECTRIC SALES	573,205,465	539,389,154	512,023,270	481,068,265	469,938,466
10	OTHER ELECTRIC OPERATING REVENUES	4,630,271	4,193,465	3,406,092	5,893,383	3,615,001
11	TOTAL ELECTRIC OPERATING REVENUES	$ 577,835,736	$ 543,582,619	$ 515,429,362	$ 486,961,648	$ 473,553,467
	KILOWATT-HOUR SALES (THOUSANDS):					
12	RESIDENTIAL	2,072,047	2,051,808	1,970,345	1,890,293	1,846,993
13	COMMERCIAL AND INDUSTRIAL	3,738,950	3,661,580	3,515,161	3,433,328	3,406,130
14	PUBLIC STREET AND HIGHWAY LIGHTING	51,639	52,421	47,588	44,861	46,321
15	OTHER PUBLIC AUTHORITIES	440,265	431,309	415,668	407,895	405,821
16	RAILROADS AND RAILWAYS	-	-	-	-	-
17	INTERDEPARTMENTAL	-	-	-	-	-
18	TOTAL SALES TO ULTIMATE CONSUMERS	6,302,902	6,197,117	5,948,762	5,776,377	5,705,265
19	SALES: NY POWER ATH. CUSTOMERS	-	-	-	-	-
20	MUNICIPAL DIST. AGENCY SALES	-	-	-	-	-
21	TOTAL SALES - FRANCHISE AREA	6,302,901	6,197,117	5,948,762	5,776,377	5,705,265
22	RESALE	1,255,283	1,149,900	1,047,654	925,318	1,404,504
23	TOTAL KILOWATT-HOUR SALES	7,558,184	7,347,017	6,996,416	6,701,694	7,109,769
	CUSTOMERS-AVERAGE PER MONTH:					
24	RESIDENTIAL	291,789	288,015	283,903	279,666	275,235
25	COMMERCIAL AND INDUSTRIAL	29,582	29,094	28,580	27,923	27,263
26	PUBLIC STREET AND HIGHWAY LIGHTING	347	330	280	244	237
27	OTHER PUBLIC AUTHORITIES	2,119	1,993	2,015	2,040	2,042
28	RAILROADS AND RAILWAYS	-	-	-	-	-
29	INTERDEPARTMENTAL	-	-	-	-	-
30	TOTAL ULTIMATE CONSUMERS	323,837	319,432	314,778	309,873	304,777
31	RESALE	8	8	8	8	8
32	TOTAL CUSTOMERS	323,845	319,440	314,786	309,881	304,785
	OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
33	AVERAGE ANNUAL BILL PER CUSTOMER	$ 682.44	$ 663.33	$ 630.26	$ 595.94	$ 563.86
34	AVERAGE KWH CONSUMPTION PER CUSTOMER	7,101	7,124	6,940	6,759	6,711
35	AVERAGE REVENUE PER KWH SOLD (CENTS)	9.61	9.31	9.08	8.82	8.40
	COMMERCIAL AND INDUSTRIAL SALES:					
36	AVERAGE ANNUAL BILL PER CUSTOMER	$ 9,806.40	$ 9,422.51	$ 9,256.80	$ 9,074.88	$ 8,525.35
37	AVERAGE KWH CONSUMPTION PER CUSTOMER	126,393	125,853	122,994	122,957	124,936
38	AVERAGE REVENUE PER KWH SOLD (CENTS)	7.76	7.49	7.53	7.38	6.82
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
	POWER PRODUCTION EXPENSES:					
	STEAM POWER					
39	FUEL	$ 45,117,597	$ 46,085,192	$ 41,599,150	$ 36,973,059	$ 53,547,059
40	OTHER	16,933,720	18,247,748	17,869,066	16,752,935	12,026,467
41	TOTAL STEAM POWER EXPENSES	62,051,317	64,332,940	59,468,216	53,725,994	65,573,526
	NUCLEAR POWER					
42	FUEL	23,058,611	20,445,674	21,201,566	18,747,249	18,163,123
43	OTHER	77,538,619	54,215,246	37,763,709	37,389,011	31,609,327
44	TOTAL NUCLEAR POWER EXPENSES	100,597,230	74,660,920	58,965,375	56,136,260	49,772,450
	HYDRAULIC POWER					
45	WATER FOR POWER	256,018	1,670,065	243,325	289,561	189,652
46	OTHER	1,230,811	1,102,295	1,451,422	1,844,132	1,426,299
47	TOTAL HYDRAULIC POWER EXPENSES	1,486,829	2,772,360	1,694,747	2,133,693	1,615,951
	OTHER POWER GENERATION					
48	FUEL	4,507,205	75,360	333,429	127,294	216,643
49	OTHER	694,745	246,396	207,681	131,052	487,651
50	TOTAL OTHER POWER GENERATION EXPENSE	5,201,950	321,756	541,110	258,346	704,294
	OTHER POWER SUPPLY EXPENSES					
51	PURCHASED POWER	41,761,246	30,298,688	26,467,397	30,144,285	27,803,662
52	OTHER	795,295	1,085,525	1,049,238	1,049,888	843,734
53	TOTAL OTHER POWER SUPPLY EXPENSES	42,556,541	31,384,213	27,516,635	31,194,173	28,647,396
54	TOTAL POWER PRODUCTION EXPENSES	211,893,868	173,472,189	148,186,083	143,448,466	146,313,617
55	TRANSMISSION EXPENSES	12,391,983	10,982,150	8,854,073	9,218,869	9,070,837
56	DISTRIBUTION EXPENSES	23,390,772	22,374,437	20,962,018	20,036,132	19,686,495
57	CUSTOMER ACCOUNTS EXPENSES	8,812,254	8,835,960	8,735,337	8,619,468	8,581,194
58	SALES EXPENSES	3,798,683	3,735,658	4,506,460	2,404,592	2,375,094
59	ADMINISTRATIVE AND GENERAL	45,315,407	44,595,701	60,475,210	48,672,428	37,760,148
60	TOTAL O & M EXPENSES	$ 305,602,967	$ 263,996,095	$ 251,719,183	$ 232,399,960	$ 223,787,385

ROCHESTER GAS AND ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES - ULTIMATE CONSUMERS***	$ 539,807,890	$ 513,616,629	$ 489,214,374	$ 466,496,192	$ 429,450,245	1
SALES-ULTIMATE CONSUMERS (000 KWH)***	6,302,901	6,197,117	5,948,762	5,776,377	5,705,265	2
	DOLLAR AMOUNTS					
FUEL AND PURCHASED POWER	$ 76,672,831	$ 66,724,748	$ 66,496,199	$ 66,018,752	$ 65,254,171	3
WAGES AND BENEFITS	87,289,458	80,441,463	74,374,589	73,276,932	70,656,864	4
OTHER OPERATION AND MAINTENANCE EXPENSES	95,550,976	83,479,753	86,451,973	71,916,262	51,805,878	5
DEPRECIATION AND AMORTIZATION EXPENSES	65,287,521	60,443,852	46,776,301	43,753,392	39,014,917	6
INCOME TAXES - OPERATING	29,886,163	34,093,008	48,788,066	52,051,204	52,067,436	7
OTHER TAXES - OPERATING	71,360,690	66,426,259	61,503,580	61,313,417	58,867,221	8
*INTEREST CHARGES **	59,588,040	64,878,428	52,107,236	46,206,544	37,624,467	9
*PREFERRED DIVIDENDS **	4,896,236	6,162,115	6,116,201	4,690,521	5,079,992	10
EARNINGS AVAILABLE FOR COMMON EQUITY	49,275,975	50,967,003	46,600,230	47,269,168	49,079,299	11
TOTAL	$ 539,807,890	$ 513,616,629	$ 489,214,374	$ 466,496,192	$ 429,450,245	12
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
FUEL AND PURCHASED POWER	14.2	13.0	13.6	14.2	15.2	13
WAGES AND BENEFITS	16.2	15.7	15.2	15.7	16.5	14
OTHER OPERATION AND MAINTENANCE EXPENSES	17.7	16.3	17.7	15.4	12.1	15
DEPRECIATION AND AMORTIZATION EXPENSES	12.1	11.8	9.6	9.4	9.1	16
INCOME TAXES - OPERATING	5.5	6.6	10.0	11.2	12.1	17
OTHER TAXES - OPERATING	13.2	12.9	12.6	13.1	13.7	18
*INTEREST CHARGES **	11.0	12.6	10.7	9.9	8.8	19
*PREFERRED DIVIDENDS **	0.9	1.2	1.3	1.0	1.2	20
EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	9.9	9.5	10.1	11.4	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
	CENTS PER KWH					
FUEL AND PURCHASED POWER	1.22	1.08	1.11	1.14	1.14	23
WAGES AND BENEFITS	1.38	1.30	1.25	1.27	1.24	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.52	1.35	1.45	1.25	0.91	25
DEPRECIATION AND AMORTIZATION EXPENSES	1.04	0.98	0.79	0.76	0.68	26
INCOME TAXES - OPERATING	0.47	0.55	0.82	0.90	0.91	27
OTHER TAXES - OPERATING	1.13	1.07	1.03	1.06	1.03	28
*INTEREST CHARGES **	0.95	1.05	0.88	0.80	0.66	29
*PREFERRED DIVIDENDS **	0.08	0.10	0.10	0.08	0.09	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.78	0.82	0.78	0.82	0.86	31
TOTAL	8.56	8.29	8.22	8.08	7.53	32
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	86.06	86.51	86.82	89.59	89.03	

** NET OF AFC.

***EXCLUDES SALES FOR RESALE AND "SALES" MADE THROUGH THE NY POWER AUTHORITY OR MUNICIPAL DIST. AGENCIES



POWER

SECTION 2

GAS SERVICE COMPANIES

Balance Sheet

Asset Side

Liability Side

Statement of Cash Flows

Income Statement

Statement of Revenue Plant and Operation and Maintenance

Distribution of Revenues

101A

BROOKLYN UNION GAS COMPANY, THE
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 1,148,587,023	$ 1,114,468,792	$ 1,031,861,895	$ 960,998,399	$ 901,135,110
2	ACCUM. PROV. FOR DEPR. AND AMORT.	255,427,559	281,102,061	259,266,556	239,480,380	219,239,118
3	NET GAS UTILITY PLANT	893,159,464	833,366,731	772,595,339	721,518,019	681,895,992
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROV. FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	1,148,587,023	1,114,468,792	1,031,861,895	960,998,399	901,135,110
8	ACCUM. PROV. FOR DEPR. AND AMORT.	255,427,559	281,102,061	259,266,556	239,480,380	219,239,118
9	NET TOTAL UTILITY PLANT	893,159,464	833,366,731	772,595,339	721,518,019	681,895,992
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	1,783,621	140,996	146,845	152,695	130,867
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	72,836,187	42,550,977	32,363,164	22,724,100	34,915,553
13	OTHER INVESTMENTS	632,516	111,944	362,211	2,654,033	629,700
14	SPECIAL FUNDS	262,500	262,500	262,500	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	75,514,824	43,066,417	33,134,720	25,530,828	35,676,120
16	CASH	4,610,635	441,344	643,153	4,828,108	3,995,265
17	SPECIAL DEPOSITS	30,664,409	1,014,975	949,568	879,196	851,832
18	WORKING FUNDS	300,000	250,000	200,000	175,000	175,000
19	TEMPORARY CASH INVESTMENTS	78,700,000	47,550,000	60,228,628	33,997,500	23,436,669
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	48,373,674	47,772,969	18,037,318	23,771,256	13,529,978
21	RECEIVABLES - ASSOCIATED COMPANIES	1,073,776	533,544	505,149	1,460,051	671,261
22	MATERIALS AND SUPPLIES	11,449,389	21,134,274	18,472,526	19,220,021	14,114,193
23	GAS STORED UNDERGROUND - CURRENT	50,211,394	7,738,976	8,186,141	9,113,468	3,936,873
24	LIQUEFIED NATURAL GAS IN STORAGE	5,065,797	5,981,393	6,255,645	6,199,023	6,191,923
25	PREPAYMENTS	17,785,470	59,925,501	72,165,865	71,473,587	97,993,890
26	OTHER CURRENT AND ACCRUED ASSETS	172,325,374	136,411,484	124,632,662	124,847,434	137,551,519
27	TOTAL CURRENT AND ACCRUED ASSETS	420,559,918	328,754,460	310,276,655	295,964,644	302,448,403
28	UNAMORTIZED DEBT EXPENSE	9,552,722	8,771,550	9,146,573	9,527,444	7,668,324
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	3,829,088	1,863,305	1,894,167	1,746,617	291,593
31	CLEARING ACCOUNTS	1,050,630	816,471	830,595	107,101	639,908
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	172,909	202,527-	603,146-	2,054,694-	1,612,178-
34	ACCUM. DEFERRED INCOME TAXES	13,007,768	10,204,445	4,442,463	751,805	200,477
35	OTHER DEFERRED DEBITS	39,458,861	45,611,559	15,986,502	17,084,150	8,963,284
36	TOTAL DEFERRED DEBITS	67,071,978	67,064,803	31,697,154	27,162,423	16,151,408
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,456,306,184	$ 1,272,252,411	$ 1,147,703,868	$ 1,070,175,914	$ 1,036,171,923
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 11,442	$ 11,442	$ 11,442	$ 11,442	$ 11,442
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	-	54,242,126	54,246,487	54,248,242	54,006,348
40	NATURAL GAS PLANT	456,709	634,556	908,884	1,303,337	1,609,993
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	64,404,693	60,277,348	59,767,133	58,811,837	53,033,207
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	949,229,935	875,987,700	812,507,481	763,062,064	714,376,208
46	GENERAL PLANT	106,686,779	101,452,625	84,314,988	71,595,313	65,759,335
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	857,650	857,650	857,650	857,650	857,650
50	TOTAL GAS PLANT IN SERVICE	1,121,647,208	1,093,463,447	1,012,614,065	949,889,885	889,654,183
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	291,937	290,239	297,172	297,172	325,832
53	CONSTRUCTION WORK IN PROGRESS	26,647,878	20,715,106	18,950,658	10,811,342	11,155,095
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	1,148,587,023	1,114,468,792	1,031,861,895	960,998,399	901,135,110
56	ACCUM. PROV. FOR DEPR. AND AMORT.	255,427,559	281,102,061	259,266,556	239,480,380	219,239,118
57	NET GAS UTILITY PLANT	893,159,464	833,366,731	772,595,339	721,518,019	681,895,992
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	1,093,463,447	1,012,614,065	949,889,885	889,654,183	825,421,342
59	ADDITIONS	83,531,376	89,830,313	72,800,088	67,352,629	70,224,884
60	RETIREMENTS	57,387,398	10,930,498	10,094,586	6,888,855	6,306,173
61	TRANSFERS AND ADJUSTMENTS	2,039,783	1,949,567	18,678	228,072-	314,130
62	END OF YEAR	$ 1,121,647,208	$ 1,093,463,447	$ 1,012,614,065	$ 949,889,885	$ 889,654,183

*EXCLUDES ALLOCATION OF COMMON PLANT

BROOKLYN UNION GAS COMPANY, THE
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 12,174,885	$ 11,834,866	$ 11,461,329	$ 11,100,508	$ 10,741,921	1
PREFERRED STOCK ISSUED	50,600,000	52,200,000	53,800,000	55,400,000	77,000,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	192,755,619	175,679,422	159,121,586	141,989,209	125,141,751	5
OTHER PAID-IN CAPITAL	60,215,809	60,293,698	60,392,313	60,444,915	60,471,290	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	251,670,276	237,931,150	219,565,669	204,191,753	185,629,629	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	9,348,222-	11,870,559-	15,850,373-	17,072,471-	2,636,789-	10
REACQUIRED CAPITAL STOCK	3,418,400-	3,419,900-	3,364,100-	406,900-	1,138,800-	11
TOTAL PROPRIETARY CAPITAL	554,649,967	522,648,677	485,126,424	455,647,014	455,209,012	12
BONDS (LESS BONDS REACQUIRED)	540,579,000	447,248,500	403,015,482	346,228,751	335,316,926	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	-	-	-	785,714	1,178,571	15
NET UNAMORTIZED PREMIUM + DISCOUNT	358,984-	337,095-	335,707-	471,456-	958,754-	16
TOTAL LONG TERM DEBT	540,220,016	446,911,405	402,679,775	346,543,009	335,536,743	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	88,818,175	59,931,691	54,496,940	63,679,695	67,189,663	19
PAYABLES TO ASSOCIATED COMPANIES	3,975,862	2,087,556	1,799,454	2,686,613	2,321,571	20
CUSTOMER DEPOSITS	15,202,316	15,428,519	15,375,324	15,302,624	14,872,503	21
TAXES ACCRUED	52,107,433	36,081,983	35,729,668	41,989,121	34,612,016	22
INTEREST ACCRUED	8,996,726	8,782,828	8,726,220	9,327,844	10,397,018	23
DIVIDENDS DECLARED	11,610,644	10,938,881	10,225,598	9,617,536	9,085,815	24
TAX COLLECTIONS PAYABLE	5,059,208	4,399,864	3,790,179	3,980,521	3,500,881	25
OTHER CURRENT AND ACCRUED LIABILITIES	31,784,596	17,710,120	18,994,181	28,168,289	19,356,286	26
TOTAL CURRENT AND ACCRUED LIABILITIES	217,554,960	155,361,442	149,137,564	174,752,243	161,335,753	27
CUSTOMER ADVANCES FOR CONSTRUCTION	571,134	563,000	563,000	563,000	382,000	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	27,280,574	28,376,416	29,328,260	29,840,791	29,768,980	30
OTHER DEFERRED CREDITS	23,362,424	26,316,638	12,542,196	3,309,895	2,962,531	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	66,850,701	61,328,046	55,968,534	48,705,579	41,363,091	33
OTHER	21,696,142	26,959,404	8,938,567	7,086,450	6,214,085	34
TOTAL DEFERRED CREDITS	139,760,975	143,543,504	107,340,557	89,505,715	80,690,687	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	3,418,586	3,130,318	2,682,778	3,012,490	2,702,700	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	701,680	657,065	736,770	715,443	697,028	39
TOTAL OPERATING RESERVES	4,120,266	3,787,383	3,419,548	3,727,933	3,399,728	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,456,306,184	$ 1,272,252,411	$ 1,147,703,868	$ 1,070,175,914	$ 1,036,171,923	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.93	2.12	2.08	1.69	1.87	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	49.3	46.0	45.3	43.1	42.4	43
PREFERRED STOCK	4.6	5.3	6.0	6.9	9.7	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.0	23.9	23.8	24.4	24.3	45
RETAINED EARNINGS	22.9	24.5	24.7	25.4	23.4	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	47.0	40.1	39.0	36.0	37.2	47
ACCUM. PROV. FOR DEPR. % OF UTILITY PLT	22.2	25.2	25.1	24.9	24.3	48

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Statement of Cash Flows
The Brooklyn Union Gas Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$63,595,782	$67,096,972
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	32,652,121	31,629,901
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	49,987,544	(26,762,677)
4	Deferred Taxes & ITCs	465,026	10,201,492
5	Current Income Taxes & Other Taxes Payable	16,684,794	962,000
6	Interest Payable	213,898	57,167
7	Equity In Loss (Earnings) Of Affiliates	(2,522,337)	(3,979,814)
8	Capitalized AFDUC - Equity Funds	(2,626,504)	(1,891,418)
9	Other Adjustments	(29,337,576)	6,243,611
10	Total Adjustments	65,516,966	16,460,262
11	Net Cash From Operating Activities	129,112,748	83,557,234
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(87,277,701)	(90,415,260)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(29,753,590)	(14,508,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.	1,990,717	8,300,000
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		5,849
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(11,409,347)	(15,141,845)
22	Net Cash From Investing Activities	(126,449,921)	(111,759,256)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	93,330,500	(20,435,000)
24	Common Stock	17,417,716	(55,800)
25	Preferred Stock	(1,600,000)	15,343,373
26	Short-term Debt		
27	Dividends Paid	(47,284,178)	(44,747,003)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(29,157,574)	65,266,015
30	Net Cash From Financing Activities	32,706,464	15,371,585
31	Net Incr./(Decr.) In Cash & Cash Equivalents	35,369,291	(12,830,437)
32	Cash & Cash Equivalents At Beginning Of Year	48,241,344	61,071,781
33	Cash & Cash Equivalents At End Of Year	$83,610,635	$48,241,344

BROOKLYN UNION GAS COMPANY, THE
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 961,136,315	$ 889,314,275	$ 882,142,538	$ 952,919,175	$ 1,004,627,971	1
OPERATION AND MAINTENANCE EXPENSE	686,383,751	628,366,227	626,623,123	677,155,847	734,131,442	2
DEPRECIATION EXPENSE	27,403,197	26,813,004	24,750,971	23,578,028	22,229,564	3
AMORTIZATION	903,596	444,686	575,593	541,021	410,439	4
TAXES OTHER THAN INCOME TAXES	124,766,757	110,210,394	113,435,790	116,542,667	118,700,770	5
INCOME TAXES	23,956,276	18,562,451	25,498,784	34,956,623	43,831,553	6
PROVISION FOR DEFERRED INCOME TAXES	80,131,956	81,196,380	91,909,238	69,979,762	56,749,831	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	75,675,419-	70,486,172-	86,802,248-	61,165,143-	58,485,949-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	1,231,535-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	56,006-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	867,870,114	795,050,964	794,759,716	861,588,805	917,567,650	12
NET OPERATING REVENUES	93,266,201	94,263,311	87,382,822	91,330,370	87,060,321	13
INC. - LEASED PLT. & OTHER OPER. INC	-	-	-	-	-	14
GAS OPERATING INCOME	93,266,201	94,263,311	87,382,822	91,330,370	87,060,321	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	93,266,201	94,263,311	87,382,822	91,330,370	87,060,321	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	88,027	81,237-	14,839	107,639	20,186	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	8,538	7,382	7,310	6,511	7,195	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	2,522,337	3,979,814	1,222,098	13,871,793-	357,731-	21
INTEREST AND DIVIDEND INCOME	8,234,744	6,531,133	2,495,022	4,094,604	5,342,543	22
ALLOWANCE FOR CONSTRUCTION FUNDS	3,851,385	2,960,892	1,616,392	1,022,090	1,147,673	23
MISCELLANEOUS NONOPERATING INCOME	33,396	184,784	161,411	285,608	706,616	24
GAIN ON DISPOSITION OF PROPERTY	-	22,697	469,079	429,206	-	25
TOTAL OTHER INCOME	14,738,427	13,605,465	5,986,151	7,926,135-	6,866,482	26
TOTAL INCOME	108,004,628	107,868,776	93,368,973	83,404,235	93,926,803	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	90,250	206,243	193,005	256,219	177,947	28
INCOME TAXES-NONOPERATING	1,161,920-	179,359-	640,676-	2,875,458-	769,635	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	2,073,696	1,982,004	1,423,579	1,501,128	1,284,031	32
TOTAL INCOME DEDUCTIONS	1,002,026	2,008,888	975,908	1,118,111-	2,231,613	33
INCOME BEFORE INTEREST CHARGES	107,002,602	105,859,888	92,393,065	84,522,346	91,695,190	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	39,015,869	35,029,243	31,328,964	32,946,472	28,354,120	35
AMORT. OF DEBT DISCOUNT + EXPENSE	1,099,986	1,028,817	1,185,413	748,129	493,532	36
AMORT. OF PREMIUM ON DEBT-CREDIT	28,658-	29,091-	30,076-	30,019-	32,110-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	92,939	123,413	43,903	26,222	42,085	38
OTHER INTEREST EXPENSE	3,226,684	2,610,534	730,745	4,010,990	3,139,779	39
TOTAL INTEREST CHARGES	43,406,820	38,762,916	33,258,949	37,701,794	31,997,406	40
INCOME BEFORE EXTRAORDINARY ITEMS	63,595,782	67,096,972	59,134,116	46,820,552	59,697,784	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 63,595,782	$ 67,096,972	$ 59,134,116	$ 46,820,552	$ 59,697,784	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 237,931,150	$ 219,565,669	$ 204,191,753	$ 185,629,629	$ 166,736,657	44
BALANCE TRANSFERRED FROM INCOME	61,073,445	63,117,158	57,912,018	60,692,345	60,055,515	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	3,987,712	4,139,318	4,525,846	6,744,874	7,847,925	47
-COMMON STOCK	43,296,466	40,607,685	37,966,243	35,799,156	33,353,712	48
ADJUSTMENTS	50,141-	4,674-	46,013-	413,809	39,094	49
BALANCE END OF YEAR	251,670,276	237,931,150	219,565,669	204,191,753	185,629,629	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	9,348,222-	11,870,559-	15,850,373-	17,072,471-	2,636,789-	52
TOTAL END OF YEAR	$ 242,322,054	$ 226,060,591	$ 203,715,296	$ 187,119,282	$ 182,992,840	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	6.6	7.5	6.7	4.9	5.9	55
PRETAX COVERAGE OF INTEREST CHARGES	3.1	3.5	3.6	3.3	4.2	55
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	72.6	64.4	69.5	89.3	64.3	57
RETURN ON COMMON EQUITY	12.2	13.9	13.1	10.2	14.3	58

BROOKLYN UNION GAS COMPANY, THE
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 775,043,679	$ 723,918,841	$ 701,438,204	$ 763,678,310	$ 778,608,883
2	COMMERCIAL AND INDUSTRIAL	142,222,202	128,822,152	129,723,570	148,933,159	164,755,052
3	OTHER SALES TO PUBLIC AUTHORITIES	37,271,759	31,767,866	31,517,548	36,734,851	41,659,715
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	954,537,640	884,508,859	862,679,322	949,346,320	985,023,650
6	RESALE	648,054	-	13,219,328	-	16,488,778
7	TOTAL REVENUES FROM SALES OF GAS	955,185,694	884,508,859	875,898,650	949,346,320	1,001,512,428
8	OTHER GAS OPERATING REVENUES	5,950,621	4,805,416	6,243,888	3,572,855	3,115,543
9	TOTAL GAS OPERATING REVENUES	$ 961,136,315	$ 889,314,275	$ 882,142,538	$ 952,919,175	$ 1,004,627,971
	GAS SALES (MCF)					
10	RESIDENTIAL	89,979,877	89,217,658	83,937,016	81,166,531	79,350,612
11	COMMERCIAL AND INDUSTRIAL	20,936,868	20,647,680	20,988,129	24,423,793	23,075,646
12	OTHER SALES TO PUBLIC AUTHORITIES	6,965,030	5,520,295	5,942,197	6,560,683	6,318,301
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	117,881,775	115,385,633	110,867,342	112,151,007	108,744,559
15	RESALE	169,579	-	5,518,324	-	4,904,543
16	TOTAL GAS SALES	118,051,354	115,385,633	116,385,666	112,151,007	113,649,102
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	1,059,120	1,055,497	1,051,032	1,048,267	1,044,299
18	COMMERCIAL AND INDUSTRIAL	34,408	33,782	33,029	32,424	31,746
19	OTHER SALES TO PUBLIC AUTHORITIES	3,115	3,088	3,044	2,932	2,890
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	1,096,643	1,092,367	1,087,105	1,083,623	1,078,935
22	RESALE	1	-	-	-	1
23	TOTAL CUSTOMERS	1,096,644	1,092,367	1,087,105	1,083,623	1,078,936
	GAS OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 731.78	$ 685.86	$ 667.38	$ 728.52	$ 745.58
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	85	85	80	77	76
26	AVERAGE REVENUE PER MCF SOLD	$ 8.61	$ 8.11	$ 8.36	$ 9.41	$ 9.81
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,133.41	$ 3,813.34	$ 3,927.57	$ 4,593.30	$ 5,189.79
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	608	611	635	753	727
29	AVERAGE REVENUE PER MCF SOLD	$ 6.79	$ 6.24	$ 6.18	$ 6.10	$ 7.14
	GAS OPERATION AND MAINTENANCE EXPENSES					
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	$ 6,130	$ 13,219	$ 28,911	$ 1,120,814	$ 1,727,395
31	MANUFACTURED GAS	1,058,396	1,564,970	1,613,421	8,167,940	8,812,553
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	405,124,712	370,178,340	372,579,263	438,587,398	502,714,689
35	OTHER	4,711,832	828,698	2,156,339	1,547,322-	698,459-
36	TOTAL PRODUCTION EXPENSE	410,901,070	372,585,227	376,377,934	446,328,830	512,556,178
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	6,285,311	5,633,901	6,854,327	5,151,426	4,914,362
39	TOTAL NATURAL GAS STORAGE EXPENSE	6,285,311	5,633,901	6,854,327	5,151,426	4,914,362
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	106,117,817	99,660,871	101,181,430	90,631,621	81,347,665
42	CUSTOMER ACCOUNTS EXPENSES	55,139,553	50,161,505	46,340,358	44,012,324	48,319,177
43	SALES EXPENSES	9,033,854	8,330,494	6,122,684	6,547,662	6,071,461
44	ADMINISTRATIVE AND GENERAL EXPENSES	98,906,146	91,994,229	89,746,390	84,483,984	80,922,599
45	TOTAL O & M EXPENSES	$ 686,383,751	$ 628,366,227	$ 626,623,123	$ 677,155,847	$ 734,131,442

BROOKLYN UNION GAS COMPANY, THE
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 961,136,315	$ 889,314,275	$ 882,142,538	$ 952,919,175	$ 1,004,627,971	1
SALES (MCF)	118,051,354	115,385,633	116,385,666	112,151,007	113,649,102	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 409,836,544	$ 371,007,038	$ 374,735,602	$ 437,040,076	$ 502,016,230	3
WAGES AND BENEFITS	158,579,345	146,234,199	145,757,046	134,569,790	132,564,658	4
OTHER OPERATION AND MAINTENANCE EXPENSES	117,967,862	111,068,984	106,130,475	105,545,981	99,550,554	5
DEPR. AND AMORT. EXPENSES	28,306,793	27,257,690	25,326,564	24,119,049	22,640,003	6
INCOME TAXES - OPERATING	28,412,813	29,272,659	29,374,239	43,771,242	42,095,435	7
OTHER TAXES - OPERATING	124,766,757	110,210,394	113,435,790	116,542,667	118,700,770	8
*INTEREST CHARGES **	43,406,820	38,762,916	33,258,949	37,701,794	31,997,406	9
*PREFERRED DIVIDENDS **	3,736,241	3,945,138	4,399,524	6,631,287	7,697,924	10
EARNINGS AVAILABLE FOR COMMON EQUITY	46,123,140	51,555,257	49,724,349	46,997,289	47,364,991	11
TOTAL	$ 961,136,315	$ 889,314,275	$ 882,142,538	$ 952,919,175	$ 1,004,627,971	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	42.6	41.7	42.5	45.9	50.0	13
WAGES AND BENEFITS	16.5	16.4	16.5	14.1	13.2	14
OTHER OPERATION AND MAINTENANCE EXPENSES	12.3	12.5	12.0	11.1	9.9	15
DEPRECIATION AND AMORTIZATION EXPENSES	2.9	3.1	2.9	2.5	2.3	16
INCOME TAXES - OPERATING	3.0	3.3	3.3	4.6	4.2	17
OTHER TAXES - OPERATING	13.0	12.4	12.9	12.2	11.8	18
*INTEREST CHARGES **	4.5	4.4	3.8	4.0	3.2	19
*PREFERRED DIVIDENDS**	0.4	0.4	0.5	0.7	0.8	20
EARNINGS AVAILABLE FOR COMMON EQUITY	4.8	5.8	5.6	4.9	4.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.47	$ 3.22	$ 3.22	$ 3.90	$ 4.42	23
WAGES AND BENEFITS	1.34	1.27	1.25	1.20	1.17	24
OTHER OPERATION AND MAINTENANCE EXPENSES	1.00	0.96	0.91	0.94	0.88	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.24	0.24	0.22	0.22	0.20	26
INCOME TAXES - OPERATING	0.24	0.25	0.25	0.39	0.37	27
OTHER TAXES - OPERATING	1.06	0.96	0.97	1.04	1.04	28
*INTEREST CHARGES **	0.37	0.34	0.29	0.34	0.28	29
*PREFERRED DIVIDENDS **	0.03	0.03	0.04	0.06	0.07	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.39	0.45	0.43	0.42	0.42	31
TOTAL	$ 8.14	$ 7.71	$ 7.58	$ 8.50	$ 8.84	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

**NET OF AFC

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 92,916,962	$ 85,316,353	$ 78,180,150	$ 72,515,115	$ 68,341,074
2	ACCUM. PROV. FOR DEPR. AND AMORT.	32,043,568	30,034,335	28,316,565	26,806,892	25,635,882
3	NET GAS UTILITY PLANT	60,873,394	55,282,018	49,863,585	45,708,223	42,705,192
4	OTHER UTILITY PLANT	1,080,483,746	1,050,187,407	1,015,330,863	1,119,980,586	985,426,660
5	ACCUM. PROV. FOR DEPR. AND AMORT.	293,552,646	260,565,962	235,079,234	226,360,615	215,242,324
6	NET OTHER UTILITY PLANT	786,931,100	789,621,445	780,251,629	893,619,971	770,184,336
7	TOTAL UTILITY PLANT	1,173,400,708	1,135,503,760	1,093,511,013	1,192,495,701	1,053,767,734
8	ACCUM. PROV. FOR DEPR. AND AMORT.	325,596,214	290,600,297	263,395,799	253,167,507	240,878,206
9	NET TOTAL UTILITY PLANT	847,804,494	844,903,463	830,115,214	939,328,194	812,889,528
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	963,978	965,605	967,232	968,859	1,409,005
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	3,965,500	3,608,571	2,787,124	2,990,239	2,153,523
13	OTHER INVESTMENTS	2,403,865	2,334,985	2,337,807	2,330,657	39,159
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	7,333,343	6,909,161	6,092,163	6,289,755	3,601,687
16	CASH	3,396,686	2,783,236	1,547,977	1,512,924	1,462,371
17	SPECIAL DEPOSITS	83,253	142,614	4,487,969	19,637,337	53,391,410
18	WORKING FUNDS	442,280	609,845	237,623	176,705	190,784
19	TEMPORARY CASH INVESTMENTS	9,000,000	20,108,500	420,000	6,412,500	14,350,000
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	41,398,093	18,818,001	44,571,751	61,270,244	44,835,751
21	RECEIVABLES - ASSOCIATED COMPANIES	504,095	23,704	1,537	-	-
22	MATERIALS AND SUPPLIES	24,547,794	24,690,780	20,558,969	21,128,628	23,853,891
23	GAS STORED UNDERGROUND - CURRENT	4,624,844	1,863,675	1,803,944	1,895,313	2,121,371
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	10,190,312	8,776,176	7,690,373	8,119,228	6,523,634
26	OTHER CURRENT AND ACCRUED ASSETS	9,588,389	7,585,096	662,427	8,973,784	9,761,662
27	TOTAL CURRENT AND ACCRUED ASSETS	103,775,746	85,401,627	81,982,570	129,126,663	156,490,874
28	UNAMORTIZED DEBT EXPENSE	9,286,905	9,103,809	9,696,638	9,973,483	5,674,162
29	EXTRAORDINARY PROPERTY LOSSES	-	-	761,600	9,631,234	15,451,877
30	PREL. SURVEY & INVESTIGATION CHARGES	169,412	297,581	265,252	90,773	79,601
31	CLEARING ACCOUNTS	205,768	245,419	230,589	307,238	320,958
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	310,481-	10,828-	294,293-	68,866-	627,361-
34	ACCUM. DEFERRED INCOME TAXES	39,735,200	39,082,900	38,870,000	6,444,500	1,813,800
35	OTHER DEFERRED DEBITS	99,439,141	93,437,844	95,521,011	63,019,718	44,642,413
36	TOTAL DEFERRED DEBITS	148,525,945	142,156,725	145,050,797	89,398,080	67,355,450
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,107,439,528	$ 1,079,370,976	$ 1,063,240,744	$ 1,164,142,692	$ 1,040,337,539
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 329,895	$ 279,869	$ 248,291	$ 3,183	$ 3,183
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	2,933,939	2,933,939	2,933,238	2,932,564	2,816,115
40	NATURAL GAS PLANT	-	-	-	-	-
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	169,763
44	TRANSMISSION PLANT	18,655,845	18,633,460	17,779,070	17,637,415	17,627,253
45	DISTRIBUTION PLANT	66,581,658	59,359,587	52,374,055	49,524,748	45,251,782
46	GENERAL PLANT	-	-	-	-	-
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	88,501,337	81,206,855	73,334,654	70,097,910	65,868,096
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	4,415,625	4,109,498	4,845,496	2,417,205	2,472,978
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	92,916,962	85,316,353	78,180,150	72,515,115	68,341,074
56	ACCUM. PROV. FOR DEPR. AND AMORT.	32,043,568	30,034,335	28,316,565	26,806,892	25,635,882
57	NET GAS UTILITY PLANT	60,873,394	55,282,018	49,863,585	45,708,223	42,705,192
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	81,206,855	73,334,654	70,097,910	65,868,096	61,886,359
59	ADDITIONS	7,416,945	8,055,105	3,395,856	4,640,299	4,171,269
60	RETIREMENTS.	122,463	182,904	159,112	409,769	189,532
61	TRANSFERS AND ADJUSTMENTS	-	-	-	716-	-
62	END OF YEAR	$ 88,501,337	$ 81,206,855	$ 73,334,654	$ 70,097,910	$ 65,868,096

*EXCLUDES ALLOCATION OF COMMON PLANT

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 73,706,740	$ 240,033,927	$ 236,079,253	$ 279,684,880	$ 214,464,067	1
PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	2,381,901	66,780	66,780	66,780	66,780	5
OTHER PAID-IN CAPITAL	217,973,476	50,000,000	50,000,000	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	5,677,350-	5,561,190-	5,435,621-	4,624,918-	4,302,983-	8
RETAINED EARNINGS	31,030,407	23,793,128	11,414,832	164,414,239	145,374,845	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,293,633	936,702	115,255	318,370	481,654	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	401,738,807	390,299,347	373,270,499	520,889,351	437,114,363	12
BONDS (LESS BONDS REACQUIRED)	291,200,000	291,200,000	292,500,000	327,400,000	332,400,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	152,222,750	152,305,000	155,925,000	112,500,000	112,675,000	15
NET UNAMORTIZED PREMIUM + DISCOUNT	209,335-	252,331-	292,199-	399,488-	537,038-	16
TOTAL LONG TERM DEBT	443,213,415	443,252,669	448,132,801	439,500,512	444,537,962	17
NOTES PAYABLE	-	-	4,000,000	-	-	18
ACCOUNTS PAYABLE	25,602,581	23,723,302	22,437,348	27,233,558	22,258,926	19
PAYABLES TO ASSOCIATED COMPANIES	617,839	883,450	-	-	-	20
CUSTOMER DEPOSITS	3,416,394	3,496,802	2,890,296	2,808,722	2,688,436	21
TAXES ACCRUED	4,816,490	3,717,506	11,817,829	4,965,968	5,018,646	22
INTEREST ACCRUED	7,926,939	7,811,745	7,525,559	8,055,053	[illegible]84,918	23
DIVIDENDS DECLARED	7,885,784	7,849,479	7,570,402	11,793,920	10,[illegible]56,918	24
TAX COLLECTIONS PAYABLE	1,096,873	632,851	583,119	587,318	652,195	25
OTHER CURRENT AND ACCRUED LIABILITIES	12,944,570	13,013,417	25,131,638	12,720,852	7,205,101	26
TOTAL CURRENT AND ACCRUED LIABILITIES	64,307,470	61,128,552	81,956,191	68,165,391	57,165,140	27
CUSTOMER ADVANCES FOR CONSTRUCTION	1,270,062	1,252,328	1,008,631	699,689	694,970	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	37,821,900	39,021,900	31,119,700	34,129,000	35,438,000	30
OTHER DEFERRED CREDITS	74,032,046	73,207,770	73,294,529	56,474,666	27,826,555	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	65,886,900	52,427,700	34,554,500	23,527,300	19,774,600	33
OTHER	17,701,000	16,997,500	17,962,350	18,794,300	16,097,900	34
TOTAL DEFERRED CREDITS	196,711,908	182,907,198	157,939,710	133,624,955	99,832,035	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	1,467,928	1,783,210	1,941,543	1,962,483	1,688,039	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	1,467,928	1,783,210	1,941,543	1,962,483	1,688,039	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,107,439,528	$ 1,079,370,976	$ 1,063,240,744	$ 1,164,142,692	$ 1,040,337,539	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.61	1.40	1.00	1.89	2.74	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	52.4	53.1	54.5	45.7	50.4	43
PREFERRED STOCK	9.5	9.7	9.8	8.4	9.1	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	34.2	34.2	34.1	28.6	23.8	45
RETAINED EARNINGS	3.6	2.8	1.3	17.1	16.4	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	37.7	39.0	40.9	36.8	42.1	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT.	27.7	25.5	24.0	21.2	22.8	48

Statement of Cash Flows
Central Hudson Gas & Electric Corporation
For The Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$39,117,493	$43,803,858
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	40,306,159	35,421,787
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(24,318,876)	16,937,138
4	Deferred Taxes & ITCs	12,310,400	29,703,400
5	Current Income Taxes & Other Taxes Payable	1,098,984	(8,100,323)
6	Interest Payable	115,194	286,186
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(463,199)	(402,389)
9	Other Adjustments	(8,407,671)	(14,361,901)
10	Total Adjustments	20,640,991	59,483,898
11	Net Cash From Operating Activities	59,758,484	103,287,756
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(42,087,057)	(53,069,206)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(356,930)	(821,447)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(369,294)	4,082,809
22	Net Cash From Investing Activities	(42,813,281)	(49,807,844)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(82,250)	(4,920,000)
24	Common Stock	3,961,410	3,954,674
25	Preferred Stock		
26	Short-term Debt		(4,000,000)
27	Dividends Paid	(31,486,978)	(30,325,038)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		3,106,433
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(27,607,818)	(32,183,931)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(10,662,615)	21,295,981
32	Cash & Cash Equivalents At Beginning Of Year	23,501,581	2,205,600
33	Cash & Cash Equivalents At End Of Year	$12,838,966	$23,501,581

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME						
OPERATING REVENUES	$ 66,767,349	$ 59,135,744	$ 54,126,259	$ 61,447,651	$ 68,149,942	1
OPERATION AND MAINTENANCE EXPENSE	52,152,544	44,194,947	38,366,960	43,521,112	49,067,860	2
DEPRECIATION EXPENSE	2,505,218	2,298,336	2,142,288	2,015,236	2,994,536	3
AMORTIZATION	4,504	3,739	3,450	3,482	14	4
TAXES OTHER THAN INCOME TAXES	6,469,400	6,289,985	6,014,047	5,993,373	6,006,220	5
INCOME TAXES	1,465,000	1,151,000	2,340,000	2,734,000	3,454,000	6
PROVISION FOR DEFERRED INCOME TAXES	2,073,000	1,572,500	1,125,800	1,462,300	1,491,400	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	2,354,500-	962,100-	1,268,200-	1,007,900-	1,272,100-	8
MISC. ADJUSTMENTS OF INCOME TAXES	181,900-	-	416,600	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	62,133,266	54,548,407	49,140,945	54,721,603	61,741,930	12
NET OPERATING REVENUES	4,634,083	4,587,337	4,985,314	6,726,048	6,408,012	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	4,634,083	4,587,337	4,985,314	6,726,048	6,408,012	15
OTHER UTILITY OPERATING INCOME	71,912,588	76,007,594	75,525,567	64,997,201	62,950,521	16
TOTAL UTILITY OPERATING INCOME	76,546,671	80,594,931	80,510,881	71,723,249	69,358,533	17
OTHER INCOME						
MERCH., JOBBING AND CONTRACT WORK	24,065	14,684	12,018-	8,412	3,464-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	6,773	6,773	6,773	29,502	188-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	356,931	821,447	203,115-	163,284-	80,203-	21
INTEREST AND DIVIDEND INCOME	1,769,887	804,769	741,086	1,511,317	739,952	22
ALLOWANCE FOR CONSTRUCTION FUNDS	892,482	993,727	4,976,025	31,724,945	26,432,772	23
MISCELLANEOUS NONOPERATING INCOME	2,768,968	2,438,267	2,349,447	319,112-	762,778-	24
GAIN ON DISPOSITION OF PROPERTY	27,922	20,511	11,636	3,688	720	25
TOTAL OTHER INCOME	5,847,028	5,100,178	7,869,834	32,795,468	26,326,811	26
TOTAL INCOME	82,393,699	85,695,109	88,380,715	104,518,717	95,685,344	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	68,704	57,335	40,566	36,674	17,235	28
INCOME TAXES-NONOPERATING	910,100-	703,100-	12,884,500-	6,690,300-	6,570,300-	29
LOSS ON DISPOSITION OF PROPERTY	9,328	17,738	64,897,765	-	28,777	30
MISCELLANEOUS AMORTIZATION	299,728	125,149	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,157,970	1,167,119	631,651	662,736	452,117	32
TOTAL INCOME DEDUCTIONS	625,630	664,241	52,685,482	5,990,890-	6,072,171-	33
INCOME BEFORE INTEREST CHARGES	81,768,069	85,030,868	35,695,233	110,509,607	101,757,515	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	40,241,474	37,889,111	40,630,881	43,330,897	40,420,583	35
AMORT. OF DEBT DISCOUNT + EXPENSE	1,074,568	1,060,336	1,080,170	681,509	432,521	36
AMORT. OF PREMIUM ON DEBT-CREDIT	15,852-	18,980-	24,192-	24,198-	24,192-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,350,386	2,296,543	2,477,794	1,636,966	1,256,280	39
TOTAL INTEREST CHARGES	42,650,576	41,227,010	44,164,653	45,625,174	42,085,192	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,117,493	43,803,858	8,469,420-	64,884,433	59,672,323	41
EXTRAORDINARY ITEMS - NET	-	-	101,475,000-	-	-	42
NET INCOME	$ 39,117,493	$ 43,803,858	$ 109,944,420-	$ 64,884,433	$ 59,672,323	43
RETAINED EARNINGS						
BEGINNING OF YEAR	$ 23,793,128	$ 11,414,832	$ 164,414,239	$ 145,374,845	$ 125,751,423	44
BALANCE TRANSFERRED FROM INCOME	38,760,562	42,982,411	109,741,305-	65,047,717	59,752,526	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	5,698,364	5,752,365	5,592,366	5,614,366	6,184,367	47
-COMMON STOCK	25,824,919	24,851,750	37,665,736	40,393,957	33,944,737	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	31,030,407	23,793,128	11,414,832	164,414,239	145,374,845	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	1,293,633	936,702	115,255	318,370	481,654	52
TOTAL END OF YEAR	$ 32,324,040	$ 24,729,830	$ 11,530,087	$ 164,732,609	$ 145,856,499	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	14.2	13.4	12.6	14.0	13.5	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	9.9	25.5-	14.7	11.8	55
PRETAX COVERAGE OF INTEREST CHARGES	2.4	2.6	1.2	3.1	3.2	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	77.2	65.3	-	68.1	63.4	57
RETURN ON COMMON EQUITY	10.6	12.6	-	14.8	16.1	58

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 31,233,746	$ 27,920,900	$ 27,890,672	$ 29,851,629	$ 29,005,727
2	COMMERCIAL AND INDUSTRIAL	28,284,919	22,631,491	21,206,210	24,260,378	30,334,911
3	OTHER SALES TO PUBLIC AUTHORITIES	5,427,910	4,498,514	3,691,789	4,173,885	4,540,105
4	INTERDEPARTMENTAL	1,404,509	1,371,145	468,297	1,800,556	864,197
5	TOTAL REVENUES - ULTIMATE CONSUMERS	66,351,084	56,422,050	53,256,968	60,086,448	64,744,940
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	66,351,084	56,422,050	53,256,968	60,086,448	64,744,940
8	OTHER GAS OPERATING REVENUES	416,265	2,713,694	869,291	1,361,203	3,405,002
9	TOTAL GAS OPERATING REVENUES	$ 66,767,349	$ 59,135,744	$ 54,126,259	$ 61,447,651	$ 68,149,942
	GAS SALES (MCF)					
10	RESIDENTIAL	4,331,066	4,264,809	3,948,495	3,828,536	3,539,676
11	COMMERCIAL AND INDUSTRIAL	5,743,843	4,958,194	4,227,751	4,222,913	5,081,575
12	OTHER SALES TO PUBLIC AUTHORITIES	1,088,931	1,005,375	803,974	799,522	816,238
13	INTERDEPARTMENTAL	297,299	300,881	104,395	314,684	154,891
14	TOTAL SALES TO ULTIMATE CONSUMERS	11,461,139	10,529,260	9,084,616	9,165,657	9,592,381
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	11,461,139	10,529,260	9,084,616	9,165,657	9,592,381
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	48,576	47,732	46,339	44,945	43,879
18	COMMERCIAL AND INDUSTRIAL	5,931	5,567	5,195	4,839	4,485
19	OTHER SALES TO PUBLIC AUTHORITIES	435	429	416	381	360
20	INTERDEPARTMENTAL	1	1	1	1	1
21	TOTAL ULTIMATE CONSUMERS	54,943	53,729	51,951	50,166	48,725
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	54,943	53,729	51,951	50,166	48,725
	GAS OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 642.99	$ 584.95	$ 601.88	$ 664.18	$ 661.04
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	89	89	85	85	81
26	AVERAGE REVENUE PER MCF SOLD	$ 7.21	$ 6.55	$ 7.06	$ 7.80	$ 8.19
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,769.00	$ 4,065.29	$ 4,082.04	$ 5,013.51	$ 6,763.64
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	968	891	814	873	1,133
29	AVERAGE REVENUE PER MCF SOLD	$ 4.92	$ 4.56	$ 5.02	$ 5.74	$ 5.97
	GAS OPERATION AND MAINTENANCE EXPENSES					
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	200,490	338,758	173,050	182,772	181,788
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	53,295,331	36,373,351	40,635,320	34,294,015	57,440,839
35	OTHER	13,959,603-	4,448,900-	13,461,963-	871,324-	17,099,117-
36	TOTAL PRODUCTION EXPENSE	39,536,216	32,263,209	27,346,407	33,605,463	40,523,510
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	35,439	36,129	1,997	2,147	1,013
38	OTHER STORAGE EXPENSES	1,000	166	645	1,384	716
39	TOTAL NATURAL GAS STORAGE EXPENSE	36,439	36,295	2,642	3,531	1,729
40	TRANSMISSION EXPENSES	889,668	979,202	661,797	631,438	530,791
41	DISTRIBUTION EXPENSES	4,300,408	4,026,587	4,032,534	3,589,614	3,148,562
42	CUSTOMER ACCOUNTS EXPENSES	1,718,705	1,729,277	1,338,172	1,257,325	1,244,033
43	SALES EXPENSES	732,174	770,263	641,392	423,700	400,894
44	ADMINISTRATIVE AND GENERAL EXPENSES	4,938,934	4,390,114	4,344,016	4,010,041	3,218,341
45	TOTAL O & M EXPENSES	$ 52,152,544	$ 44,194,947	$ 38,366,960	$ 43,521,112	$ 49,067,860

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 66,767,349	$ 59,135,744	$ 54,126,259	$ 61,447,651	$ 68,149,942	1
SALES (MCF)	11,461,139	10,529,260	9,084,616	9,165,657	9,592,381	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 39,335,728	$ 31,924,451	$ 27,173,357	$ 33,422,691	$ 40,341,722	3
WAGES AND BENEFITS	7,979,296	7,197,940	6,940,866	6,471,370	5,866,987	4
OTHER OPERATION AND MAINTENANCE EXPENSES	4,837,520	5,072,556	4,252,737	3,627,051	2,859,151	5
DEPRECIATION AND AMORTIZATION EXPENSES	2,509,722	2,302,075	2,145,738	2,018,718	2,994,550	6
INCOME TAXES - OPERATING	1,001,600	1,761,400	2,614,200	3,188,400	3,673,300	7
OTHER TAXES - OPERATING	6,469,400	6,289,985	6,014,047	5,993,373	6,006,220	8
*INTEREST CHARGES **	2,096,803	2,224,829	2,187,947	5,927,221	5,446,928	9
*PREFERRED DIVIDENDS **	423,490	388,958	347,943	282,174	330,933	10
EARNINGS AVAILABLE FOR COMMON EQUITY	2,113,795	1,973,550	2,449,424	516,653	630,151	11
TOTAL	$ 66,767,349	$ 59,135,744	$ 54,126,259	$ 61,447,651	$ 68,149,942	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	58.9	54.0	50.2	54.4	59.2	13
WAGES AND BENEFITS	12.0	12.2	12.8	10.5	8.6	14
OTHER OPERATION AND MAINTENANCE EXPENSES	7.2	8.6	7.9	5.9	4.2	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.9	4.0	3.3	4.4	16
INCOME TAXES - OPERATING	1.5	3.0	4.8	5.2	5.4	17
OTHER TAXES - OPERATING	9.7	10.6	11.1	9.8	8.8	18
*INTEREST CHARGES **	3.1	3.8	4.0	9.6	8.0	19
*PREFERRED DIVIDENDS **	0.6	0.7	0.6	0.5	0.5	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.2	3.3	4.5	0.8	0.9	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.43	$ 3.03	$ 2.99	$ 3.65	$ 4.21	23
WAGES AND BENEFITS	0.70	0.68	0.76	0.71	0.61	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.42	0.48	0.47	0.40	0.30	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.22	0.22	0.24	0.22	0.31	26
INCOME TAXES - OPERATING	0.09	0.17	0.29	0.35	0.38	27
OTHER TAXES - OPERATING	0.56	0.60	0.66	0.65	0.63	28
*INTEREST CHARGES **	0.18	0.21	0.24	0.65	0.57	29
*PREFERRED DIVIDENDS **	0.04	0.04	0.04	0.03	0.03	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.18	0.19	0.27	0.06	0.07	31
TOTAL	$ 5.83	$ 5.62	$ 5.96	$ 6.70	$ 7.10	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	7.53	6.83	6.26	5.04	5.46	33

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COLUMBIA GAS OF NEW YORK, INC
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO. ITEM	1989	1988	1987	1986	1985
ASSETS AND OTHER DEBITS					
1 GAS UTILITY PLANT	$ 57,882,374	$ 54,334,371	$ 49,325,412	$ 44,936,845	$ 40,353,910
2 ACCUM. PROV. FOR DEPR. AND AMORT	15,567,865	14,517,207	13,565,457	12,964,664	12,267,340
3 NET GAS UTILITY PLANT	42,314,509	39,817,164	35,759,955	31,972,181	28,086,570
4 OTHER UTILITY PLANT	-	-	-	-	-
5 ACCUM. PROV. FOR DEPR. AND AMORT	-	-	-	-	-
6 NET OTHER UTILITY PLANT	-	-	-	-	-
7 TOTAL UTILITY PLANT	57,882,374	54,334,371	49,325,412	44,936,845	40,353,910
8 ACCUM. PROV. FOR DEPR. AND AMORT	15,567,865	14,517,207	13,565,457	12,964,664	12,267,340
9 NET TOTAL UTILITY PLANT	42,314,509	39,817,164	35,759,955	31,972,181	28,086,570
10 NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPR. AND AMORT	-	-	-	-	-
11 INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12 INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13 OTHER INVESTMENTS	-	-	-	-	-
14 SPECIAL FUNDS	-	-	-	-	-
15 TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16 CASH	289,488	823	35,424	478,415	388,452
17 SPECIAL DEPOSITS	-	-	-	-	-
18 WORKING FUNDS	17,750	17,750	17,750	17,750	17,750
19 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20 NOTES & ACCTS. RECEIVABLE LESS ACCUM PROV. FOR UNCOLLECTIBLE ACCOUNTS	6,823,854	6,380,368	5,325,012	5,934,531	5,479,754
21 RECEIVABLES - ASSOCIATED COMPANIES	75,913	124,606	292,977	49,052	26,716
22 MATERIALS AND SUPPLIES	544,464	824,172	753,078	686,516	673,171
23 GAS STORED UNDERGROUND - CURRENT	2,694,675	-	-	-	-
24 LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25 PREPAYMENTS	5,412,707	3,667,954	4,730,872	5,926,238	5,103,159
26 OTHER CURRENT AND ACCRUED ASSETS	4,425,232	4,186,122	3,013,461	4,336,628	4,534,665
27 TOTAL CURRENT AND ACCRUED ASSETS	20,284,083	15,201,795	14,168,574	17,429,130	16,223,667
28 UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29 EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30 PREL. SURVEY & INVESTIGATION CHARGES	8,796	1,579	11,694	23,933	-
31 CLEARING ACCOUNTS	33,071	29,499	8,816	2,159-	654-
32 DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33 RESEARCH AND DEVELOPEMENT	8,011	12,716	9,481	8,204	7,029
34 ACCUM. DEFERRED INCOME TAXES	3,494,935	1,693,440	1,575,666	1,683,356	1,728,405
35 OTHER DEFERRED DEBITS	141,381	963,754	931,736-	987,768	280,118
36 TOTAL DEFERRED DEBITS	3,686,194	2,700,988	673,921	2,701,102	2,014,898
37 TOTAL ASSETS AND OTHER DEBITS	$ 66,284,786	$ 57,719,947	$ 50,602,450	$ 52,102,413	$ 46,325,135
GAS UTILITY PLANT*					
38 INTANGIBLE PLANT	$ 80,980	$ 40,369	$ 42,545	$ 37,100	$ 28,865
PRODUCTION PLANT					
39 MANUFACTURED GAS PLANT	2,204,323	2,215,792	2,009,291	1,998,701	1,506,704
40 NATURAL GAS PLANT	804,430	804,430	804,430	804,431	804,431
41 NATURAL GAS STORAGE PLANT					
42 UNDERGROUND STORAGE PLANT	-	-	-	-	-
43 OTHER STORAGE PLANT	-	-	-	-	-
44 TRANSMISSION PLANT	-	-	-	-	-
45 DISTRIBUTION PLANT	51,903,994	48,605,297	43,926,532	39,512,667	35,885,763
46 GENERAL PLANT	2,022,409	1,661,545	1,516,549	1,543,836	1,361,698
47 GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48 EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49 GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50 TOTAL GAS PLANT IN SERVICE	57,016,136	53,327,433	48,299,347	43,896,735	39,587,461
51 PLANT LEASED TO OTHERS	-	-	-	-	-
52 PLANT HELD FOR FUTURE USE	-	-	-	-	-
53 CONSTRUCTION WORK IN PROGRESS	866,238	1,006,938	1,026,065	1,040,109	766,449
54 PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55 TOTAL GAS UTILITY PLANT	57,882,374	54,334,371	49,325,412	44,936,845	40,353,910
56 ACCUM. PROV. FOR DEPR. AND AMORT.	15,567,865	14,517,207	13,565,457	12,964,664	12,267,340
57 NET GAS UTILITY PLANT	42,314,509	39,817,164	35,759,955	31,972,181	28,086,570
PLANT IN SERVICE					
58 BEGINNING OF YEAR	53,327,433	48,299,347	43,896,735	39,587,461	36,792,094
59 ADDITIONS	4,221,766	5,563,350	4,956,115	4,705,170	3,053,052
60 RETIREMENTS	474,905	535,264	553,502	395,896	257,685
61 TRANSFERS AND ADJUSTMENTS	58,158-	-	1-	-	-
62 END OF YEAR	$ 57,016,136	$ 53,327,433	$ 48,299,347	$ 43,896,736	$ 39,587,461

*EXCLUDES ALLOCATION OF COMMON PLANT

COLUMBIA GAS OF NEW YORK, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 8,200,000	$ 7,500,000	$ 4,650,000	$ 4,650,000	$ 4,650,000	1
PREFERRED STOCK ISSUED	-	-	-	-	-	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	5
OTHER PAID-IN CAPITAL	1,275,736	1,275,736	1,275,736	1,275,736	1,275,736	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	8,402,438	5,734,198	5,715,305	5,323,873	4,954,303	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	17,878,174	15,509,934	11,641,041	11,249,609	10,880,039	12
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	13
ADVANCES FROM ASSOCIATED COMPANIES	17,306,538	13,806,877	14,564,799	11,647,373	12,300,614	14
OTHER LONG-TERM DEBT	-	-	-	-	-	15
NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-	16
TOTAL LONG TERM DEBT	17,306,538	13,806,877	14,564,799	11,647,373	12,300,614	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	3,358,975	3,800,452	2,692,214	1,629,488	568,865	19
PAYABLES TO ASSOCIATED COMPANIES	11,386,779	15,239,866	12,131,215	17,074,980	11,493,879	20
CUSTOMER DEPOSITS	205,223	213,140	225,987	251,951	275,755	21
TAXES ACCRUED	1,510,050	668,742-	1,447,183	31,798-	228,366-	22
INTEREST ACCRUED	56,354	40,309	29,227	253,563	149,813	23
DIVIDENDS DECLARED	-	-	-	-	-	24
TAX COLLECTIONS PAYABLE	202,575	193,202	181,059	174,644	202,459	25
OTHER CURRENT AND ACCRUED LIABILITIES	5,400,305	2,056,406	1,623,100	2,395,127	4,090,804	26
TOTAL CURRENT AND ACCRUED LIABILITIES	22,120,261	20,874,633	18,329,985	21,747,955	16,553,209	27
CUSTOMER ADVANCES FOR CONSTRUCTION	449,411	389,721	365,121	267,886	167,625	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,235,262	1,263,750	1,316,644	1,345,225	1,307,604	30
OTHER DEFERRED CREDITS	914,901	927,817	980,930	733,115	456,048	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	2,835,834	2,463,407	2,009,005	1,584,212	1,173,196	33
OTHER	3,538,405	2,475,307	1,378,725	3,517,038	3,397,800	34
TOTAL DEFERRED CREDITS	8,973,813	7,520,002	6,050,425	7,447,476	6,502,273	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	6,000	8,501	16,200	10,000	89,000	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	6,000	8,501	16,200	10,000	89,000	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 66,284,786	$ 57,719,947	$ 50,602,450	$ 52,102,413	$ 46,325,135	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.92	0.73	0.77	0.80	0.98	42
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	49.1	47.0	55.5	50.8	53.0	43
PREFERRED STOCK	-	-	-	-	-	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	26.9	29.9	22.6	25.8	25.5	45
RETAINED EARNINGS	23.8	22.9	21.8	23.2	21.3	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	29.8	25.4	29.5	25.9	30.4	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT	26.8	26.7	27.5	28.8	30.3	48

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Statement of Cash Flows
Columbia Gas of New York, Inc
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$1,998,000	$1,019,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	1,631,000	1,447,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(3,513,000)	5,142,000
4	Deferred Taxes & ITCs	(394,000)	1,380,000
5	Current Income Taxes & Other Taxes Payable	9,000	12,000
6	Interest Payable	73,000	5,000
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(32,000)	(13,000)
9	Other Adjustments	1,735,000	(4,104,000)
10	Total Adjustments	(491,000)	3,869,000
11	Net Cash From Operating Activities	1,507,000	4,888,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(5,193,000)	(4,334,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	1,194,000	
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(3,999,000)	(4,334,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	3,500,000	(758,000)
24	Common Stock	700,000	2,850,000
25	Preferred Stock		
26	Short-term Debt	(1,090,000)	(2,680,000)
27	Dividends Paid	(330,000)	
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	2,780,000	(588,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	288,000	(34,000)
32	Cash & Cash Equivalents At Beginning Of Year	19,000	53,000
33	Cash & Cash Equivalents At End Of Year	$307,000	$19,000

COLUMBIA GAS OF NEW YORK, INC.
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME						
OPERATING REVENUES	$ 64,588,140	$ 60,744,188	$ 61,332,105	$ 71,441,647	$ 80,449,435	1
OPERATION AND MAINTENANCE EXPENSE	52,636,812	50,328,032	51,527,578	61,275,737	70,353,590	2
DEPRECIATION EXPENSE	1,619,453	1,430,195	1,272,392	1,145,556	1,042,338	3
AMORTIZATION	11,730	17,240	45,960	65,159	45,740	4
TAXES OTHER THAN INCOME TAXES	5,421,862	5,699,053	5,432,898	5,617,458	5,863,181	5
INCOME TAXES	2,602,165	335,166-	1,390,714	33,829-	1,032,219-	6
PROVISION FOR DEFERRED INCOME TAXES	1,679,853	2,063,686	895,044	1,451,671	1,553,834	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	3,405,046-	1,224,533-	1,748,838-	593,514-	344,419	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	60,566,829	57,978,506	58,815,748	68,928,238	78,170,883	12
NET OPERATING REVENUES	4,021,311	2,765,682	2,516,357	2,513,409	2,278,552	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	4,021,311	2,765,682	2,516,357	2,513,409	2,278,552	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	4,021,311	2,765,682	2,516,357	2,513,409	2,278,552	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	107,124	13,181	421,365-	443,373	41,492	22
ALLOWANCE FOR CONSTRUCTION FUNDS	31,886	24,266	28,132	55,180	13,392	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	139,010	37,447	393,233-	498,553	54,884	26
TOTAL INCOME	4,160,321	2,803,129	2,123,124	3,011,962	2,333,436	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	38,991	90,186	29,671-	143,963	86,041	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	17,771	14,674	11,645	20,070	19,014	32
TOTAL INCOME DEDUCTIONS	56,762	104,860	18,026-	164,033	105,055	33
INCOME BEFORE INTEREST CHARGES	4,103,559	2,698,269	2,141,150	2,847,929	2,228,381	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORT. OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,907,552	1,630,615	1,487,052	1,168,614	1,060,480	38
OTHER INTEREST EXPENSE	197,766	48,761	137,234-	212,344	236,569	39
TOTAL INTEREST CHARGES	2,105,318	1,679,376	1,349,818	1,380,958	1,297,049	40
INCOME BEFORE EXTRAORDINARY ITEMS	1,998,241	1,018,893	791,332	1,466,971	931,332	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 1,998,241	$ 1,018,893	$ 791,332	$ 1,466,971	$ 931,332	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 6,734,197	$ 5,715,305	$ 5,323,873	$ 4,954,302	$ 5,157,571	44
BALANCE TRANSFERRED FROM INCOME	1,998,241	1,018,893	791,332	1,466,971	931,332	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	47
-COMMON STOCK	330,000	-	399,900	1,097,400	1,134,600	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	8,402,438	6,734,198	5,715,305	5,323,873	4,954,303	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	52
TOTAL END OF YEAR	$ 8,402,438	$ 6,734,198	$ 5,715,305	$ 5,323,873	$ 4,954,303	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.0	1.6	1.2	2.0	1.1	55
PRETAX COVERAGE OF INTEREST CHARGES	2.4	2.0	2.0	2.8	2.5	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	16.5	-	50.5	74.8	121.8	57
RETURN ON COMMON EQUITY	11.9	7.5	6.9	13.2	8.4	58

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COLUMBIA GAS OF NEW YORK, INC
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES					
1	RESIDENTIAL	$ 40,482,192	$ 37,385,890	$ 38,520,918	$ 42,634,131	$ 43,736,786
2	COMMERCIAL AND INDUSTRIAL	21,749,306	21,172,225	22,327,167	28,653,398	36,053,076
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	62,231,498	58,558,115	60,848,085	71,287,529	79,789,862
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	62,231,498	58,558,115	60,848,085	71,287,529	79,789,862
8	OTHER GAS OPERATING REVENUES	2,356,642	2,186,073	484,020	154,118	659,573
9	TOTAL GAS OPERATING REVENUES	$ 64,588,140	$ 60,744,188	$ 61,332,105	$ 71,441,647	$ 80,449,435
	GAS SALES (MCF)					
10	RESIDENTIAL	7,583,563	7,436,313	7,153,202	7,115,422	6,947,027
11	COMMERCIAL AND INDUSTRIAL	4,429,116	4,534,794	4,478,202	5,187,692	6,379,784
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	12,012,679	11,971,107	11,631,404	12,303,114	13,326,811
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	12,012,679	11,971,107	11,631,404	12,303,114	13,326,811
	CUSTOMERS - AVERAGE PER MONTH					
17	RESIDENTIAL	60,783	60,122	59,302	58,827	58,526
18	COMMERCIAL AND INDUSTRIAL	6,711	6,585	6,418	6,240	6,092
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	67,494	66,707	65,720	65,067	64,618
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	67,494	66,707	65,720	65,067	64,618

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 666.01	$ 621.83	$ 649.57	$ 724.74	$ 747.31
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	125	124	121	121	119
26	AVERAGE REVENUE PER MCF SOLD	$ 5.34	$ 5.03	$ 5.39	$ 5.99	$ 6.30
	COMMERCIAL AND INDUSTRIAL SALES					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,240.84	$ 3,215.22	$ 3,478.84	$ 4,591.89	$ 5,918.10
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	660	689	698	831	1,047
29	AVERAGE REVENUE PER MCF SOLD	$ 4.91	$ 4.67	$ 4.99	$ 5.52	$ 5.65

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	353,334	317,787	244,451	219,299	445,340
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	43,353,466	39,253,000	40,962,515	51,470,550	60,544,942
35	OTHER	2,662,048-	45,247	28,776	1,718	13,489-
36	TOTAL PRODUCTION EXPENSE	41,044,752	39,616,034	41,235,742	51,691,567	60,976,793
	NATURAL GAS STORAGE EXPENSES					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	4,233,159	4,334,431	4,426,315	4,195,606	4,054,447
42	CUSTOMER ACCOUNTS EXPENSES	2,701,584	2,337,302	2,170,628	2,032,606	1,894,996
43	SALES EXPENSES	899,718	690,710	608,525	569,372	549,975
44	ADMINISTRATIVE AND GENERAL EXPENSES	3,757,599	3,349,555	3,086,368	2,786,586	2,877,379
45	TOTAL O & M EXPENSES	$ 52,636,812	$ 50,328,032	$ 51,527,578	$ 61,275,737	$ 70,353,590

COLUMBIA GAS OF NEW YORK, INC.
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 64,588,140	$ 60,744,188	$ 61,332,105	$ 71,441,647	$ 80,449,435	1
SALES (MCF)	12,012,679	11,971,107	11,631,404	12,303,114	13,326,811	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 40,691,418	$ 39,298,247	$ 40,991,291	$ 51,472,268	$ 60,531,453	3
WAGES AND BENEFITS	6,467,951	759,571	5,845,784	5,534,431	5,428,354	4
OTHER OPERATION AND MAINTENANCE EXPENSES	5,477,443	10,270,214	4,690,503	4,269,038	4,393,783	5
DEPR. AND AMORT. EXPENSES	1,631,183	1,447,435	1,318,352	1,210,715	1,088,078	6
INCOME TAXES - OPERATING	876,972	503,986	536,920	824,328	866,034	7
OTHER TAXES - OPERATING	5,421,862	5,699,053	5,432,898	5,617,458	5,863,181	8
*INTEREST CHARGES **	2,086,793	1,666,271	1,336,526	1,358,742	1,292,180	9
*PREFERRED DIVIDENDS **	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	1,934,518	1,099,411	1,179,831	1,154,669	986,372	11
TOTAL	$ 64,588,140	$ 60,744,188	$ 61,332,105	$ 71,441,647	$ 80,449,435	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	63.0	64.7	66.8	72.0	75.2	13
WAGES AND BENEFITS	10.0	1.3	9.5	7.7	6.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	8.5	16.9	7.6	6.0	5.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	2.5	2.4	2.1	1.7	1.4	16
INCOME TAXES - OPERATING	1.4	0.8	0.9	1.2	1.1	17
OTHER TAXES - OPERATING	8.4	9.4	8.9	7.9	7.3	18
*INTEREST CHARGES **	3.2	2.7	2.2	1.9	1.6	19
*PREFERRED DIVIDENDS**	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.0	1.8	1.9	1.6	1.2	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.39	$ 3.28	$ 3.52	$ 4.18	$ 4.54	23
WAGES AND BENEFITS	0.54	0.06	0.50	0.45	0.41	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.46	0.86	0.40	0.35	0.33	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.14	0.12	0.11	0.10	0.08	26
INCOME TAXES - OPERATING	0.07	0.04	0.05	0.07	0.06	27
OTHER TAXES - OPERATING	0.45	0.48	0.47	0.46	0.44	28
*INTEREST CHARGES **	0.17	0.14	0.11	0.11	0.10	29
*PREFERRED DIVIDENDS **	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.16	0.09	0.10	0.09	0.07	31
TOTAL	$ 5.38	$ 5.07	$ 5.27	$ 5.81	$ 6.04	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

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CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 1,021,580,997	$ 952,127,396	$ 888,028,806	$ 835,171,322	$ 793,242,870
2	ACCUM PROV FOR DEPR AND AMORT	213,759,710	198,761,781	185,151,119	172,959,715	161,314,247
3	NET GAS UTILITY PLANT	807,821,287	753,365,615	702,877,687	662,211,607	631,928,623
4	OTHER UTILITY PLANT	10,622,926,967	10,190,047,948	9,767,366,260	9,400,559,150	8,895,027,427
5	ACCUM PROV FOR DEPR AND AMORT	3,028,149,186	2,880,753,128	2,734,790,512	2,586,230,395	2,431,181,717
6	NET OTHER UTILITY PLANT	7,594,777,781	7,309,294,820	7,032,575,748	6,814,328,755	6,463,845,710
7	TOTAL UTILITY PLANT	11,644,507,964	11,142,175,344	10,655,395,066	10,235,730,472	9,688,270,297
8	ACCUM PROV FOR DEPR AND AMORT	3,241,908,896	3,079,514,909	2,919,941,631	2,759,190,110	2,592,495,964
9	NET TOTAL UTILITY PLANT	8,402,599,068	8,062,660,435	7,735,453,435	7,476,540,362	7,095,774,333
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPR AND AMORT	2,290,889	2,598,785	2,290,523	2,333,133	2,668,546
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	380,762,578	341,520,517	318,878,369	260,641,141	6,380,957
13	OTHER INVESTMENTS	10,085,111	5,269,245	5,322,283	6,483,024	1,192,708
14	SPECIAL FUNDS	33,223,832	2,739,512	1,038,242	711,075	75,728
15	TOTAL OTHER PROPERTY AND INVESTMENTS	426,362,410	352,128,089	327,529,417	270,168,373	10,317,939
16	CASH	15,875,890	21,160,938	11,173,296	16,421,598	14,598,691
17	SPECIAL DEPOSITS	2,156,032	3,879,018	2,264,839	8,944,192	4,497,936
18	WORKING FUNDS	1,074,308	1,550,786	2,420,601	1,607,631	1,049,352
19	TEMPORARY CASH INVESTMENTS	326,894,442	156,437,032	412,827,715	688,130,004	836,760,669
20	NOTES & ACCTS RECEIVABLE LESS ACCUM PROV FOR UNCOLLECTIBLE ACCOUNTS	498,998,943	370,789,416	357,955,393	343,582,619	403,169,594
21	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	312,393,063	284,632,355	294,523,945	252,404,136	294,866,183
23	GAS STORED UNDERGROUND - CURRENT	30,754,329	27,335,367	24,155,341	18,147,439	18,664,999
24	LIQUEFIED NATURAL GAS IN STORAGE	3,930,866	5,325,416	5,674,004	5,836,985	5,666,737
25	PREPAYMENTS	47,300,164	65,714,984	41,785,726	39,146,662	37,412,031
26	OTHER CURRENT AND ACCRUED ASSETS	1,471,010	928,801	2,867,468	3,230,600	8,345,833
27	TOTAL CURRENT AND ACCRUED ASSETS	1,240,849,047	937,754,113	1,155,648,328	1,377,451,866	1,625,032,025
28	UNAMORTIZED DEBT EXPENSE	26,667,024	21,645,535	22,997,983	22,088,351	20,417,887
29	EXTRAORDINARY PROPERTY LOSSES	34,571,946	41,114,152	47,656,359	54,198,565	60,740,772
30	PREL. SURVEY & INVESTIGATION CHARGES	7,393,940	6,370,149	2,730,530	666,974	178,302
31	CLEARING ACCOUNTS	1,260,053	744,797	1,077,694	2,064,954	2,744,174
32	DEFERRED LOSSES - DISP OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	3,255,953-	6,102,985-	6,916,596-	4,947,359-	6,425,459-
34	ACCUM DEFERRED INCOME TAXES	169,855,000	156,056,000	98,193,000	59,662,000	55,947,000
35	OTHER DEFERRED DEBITS	198,181,384	103,911,403	90,932,388	63,989,226	129,722,771
36	TOTAL DEFERRED DEBITS	434,673,394	323,739,051	256,671,358	197,722,711	263,325,447
37	TOTAL ASSETS AND OTHER DEBITS	$ 10,504,483,919	$ 9,676,281,658	$ 9,475,302,538	$ 9,321,883,312	$ 8,994,449,744
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	807,069	926,944	1,058,105	1,328,418	1,562,549
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	35,437,0[illegible]	35,357,758	35,377,847	35,320,218	35,314,066
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	966,193,279	898,964,797	833,358,935	784,782,987	744,693,889
46	GENERAL PLANT	-	-	-	-	-
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	1,238,998	1,238,998	1,238,998	1,238,998	1,238,998
50	TOTAL GAS PLANT IN SERVICE	1,003,676,358	936,488,497	871,033,885	822,670,621	782,809,502
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	17,904,639	15,638,899	16,994,921	12,500,701	10,433,368
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	1,021,580,997	952,127,396	888,028,806	835,171,322	793,242,870
56	ACCUM PROV FOR DEPR AND AMORT	213,759,710	198,761,781	185,151,119	172,959,715	161,314,247
57	NET GAS UTILITY PLANT	807,821,287	753,365,615	702,877,687	662,211,607	631,928,623
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	936,488,497	871,033,885	822,670,621	782,809,502	737,862,105
59	ADDITIONS	72,663,926	70,922,642	53,666,958	45,361,371	49,760,163
60	RETIREMENTS	5,158,139	5,305,044	4,428,358	5,248,811	4,644,330
61	TRANSFERS AND ADJUSTMENTS	317,926-	162,986-	875,336-	251,441-	168,436-
62	END OF YEAR	$ 1,003,676,358	$ 936,488,497	$ 871,033,885	$ 822,670,621	$ 782,809,502

*EXCLUDES ALLOCATION OF COMMON PLANT

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 570,376,760	$ 569,982,720	$ 569,689,580	$ 592,603,015	$ 604,543,535	1
PREFERRED STOCK ISSUED	641,027,727	644,490,327	647,642,427	650,915,727	655,201,027	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	707,500,461	706,682,433	706,073,844	734,161,657	748,389,113	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	32,252,519-	31,786,529-	31,796,684-	32,736,678-	33,250,913-	8
RETAINED EARNINGS	3,064,866,029	2,926,983,428	2,752,109,428	2,741,176,021	2,632,985,161	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	71,866,372	33,273,311	11,119,162	2,084,601	326,362	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	5,023,384,830	4,849,625,690	4,654,837,757	4,688,204,343	4,508,194,285	12
BONDS (LESS BONDS REACQUIRED)	2,207,889,500	2,212,889,500	2,267,889,500	2,332,889,500	2,407,889,500	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	1,002,847,695	601,623,392	556,218,891	406,319,653	256,415,036	15
NET UNAMORTIZED PREMIUM - DISCOUNT	4,511,437-	569,248	745,655	943,995	1,160,058	16
TOTAL LONG TERM DEBT	3,206,225,758	2,815,082,140	2,824,854,046	2,740,153,148	2,665,464,594	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	202,251,399	135,439,455	140,886,221	120,197,162	179,180,944	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	122,220,448	122,518,976	131,021,538	126,251,601	116,107,083	21
TAXES ACCRUED	118,162,876	98,278,037	164,830,275	219,788,815	207,761,157	22
INTEREST ACCRUED	70,661,929	57,576,870	57,741,092	55,211,890	56,110,827	23
DIVIDENDS DECLARED	9,283,060	9,347,098	9,405,961	9,468,608	9,474,837	24
TAX COLLECTIONS PAYABLE	24,978,741	23,969,301	21,333,893	20,049,475	24,555,821	25
OTHER CURRENT AND ACCRUED LIABILITIES	247,064,503	219,452,516	218,527,000	214,430,286	185,815,083	26
TOTAL CURRENT AND ACCRUED LIABILITIES	794,622,956	666,582,253	743,745,980	765,397,837	779,005,752	27
CUSTOMER ADVANCES FOR CONSTRUCTION	5,699,711	6,530,956	5,868,437	3,759,874	2,772,657	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	260,470,000	273,050,000	283,889,616	289,918,000	283,158,000	30
OTHER DEFERRED CREDITS	341,808,664	272,307,619	242,556,702	198,921,110	71,265,803	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	298,000	349,000	404,000	463,000	526,000	32
LIBERALIZED DEPRECIATION	787,005,000	734,656,000	660,055,000	592,377,000	510,792,000	33
OTHER	60,269,000	37,898,000	41,291,000	30,589,000	64,146,000	34
TOTAL DEFERRED CREDITS	1,455,550,375	1,324,791,575	1,234,064,755	1,116,027,984	932,660,460	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	24,700,000	20,200,000	17,800,000	12,100,000	9,124,653	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	24,700,000	20,200,000	17,800,000	12,100,000	9,124,653	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 10,504,483,919	$ 9,676,281,658	$ 9,475,302,538	$ 9,321,883,312	$ 8,994,449,744	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.56	1.41	1.55	1.80	2.09	42
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	38.9	36.7	37.7	36.8	36.6	43
PREFERRED STOCK	7.7	8.4	8.6	8.7	9.0	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	16.0	16.6	16.7	17.4	18.1	45
RETAINED EARNINGS	37.2	38.1	36.7	36.9	36.1	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	27.5	25.2	26.5	26.7	27.5	47
ACCUM. PROV. FOR DEPR. % OF UTILITY PLT.	27.8	27.6	27.4	26.9	26.7	48

Statement of Cash Flows
Consolidated Edison Company Of New York, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$606,065,000	$599,283,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	324,903,000	308,079,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(49,029,000)	(15,579,000)
4	Deferred Taxes & ITCs	47,960,000	4,350,000
5	Current Income Taxes & Other Taxes Payable	20,894,000	(63,917,000)
6	Interest Payable	9,962,000	2,168,000
7	Equity In Loss (Earnings) Of Affiliates	(38,665,000)	(22,298,000)
8	Capitalized AFDUC - Equity Funds	(9,823,000)	(8,379,000)
9	Other Adjustments	(74,786,000)	29,480,000
10	Total Adjustments	231,416,000	233,904,000
11	Net Cash From Operating Activities	837,481,000	833,187,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(631,602,000)	(620,515,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(577,000)	(344,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(632,179,000)	(620,859,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	391,224,000	(55,106,000)
24	Common Stock		(2,250,000)
25	Preferred Stock	(2,250,000)	
26	Short-term Debt		
27	Dividends Paid	(429,580,000)	(402,245,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(40 606,000)	(459,601,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	164,696,000	(247,273,000)
32	Cash & Cash Equivalents At Beginning Of Year	179,149,000	426,422,000
33	Cash & Cash Equivalents At End Of Year	$343,845,000	$179,149,000

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 694,460,837	$ 616,278,317	$ 630,687,254	$ 696,973,297	$ 773,511,445	1
OPERATION AND MAINTENANCE EXPENSE	470,407,112	392,592,874	404,650,460	475,197,286	552,544,175	2
DEPRECIATION EXPENSE	30,312,752	28,243,285	26,244,608	25,543,249	31,183,555	3
AMORTIZATION	121,412	497,342	643,678	631,780	215,598	4
TAXES OTHER THAN INCOME TAXES	108,728,173	101,056,962	100,898,331	100,913,506	102,500,843	5
INCOME TAXES	18,565,000	16,860,000	23,942,000	27,572,000	16,584,000	6
PROVISION FOR DEFERRED INCOME TAXES	29,842,000	28,031,000	24,794,000	27,839,000	36,803,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	29,284,000-	21,681,000-	19,698,000-	23,927,000-	25,172,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	2,250,000-	745,000-	2,995,000	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	143,760-	67,026-	73,119-	73,119-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	626,298,689	544,788,437	564,396,957	633,696,702	714,659,171	12
NET OPERATING REVENUES	68,162,148	71,489,880	66,290,297	63,276,595	58,852,274	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	68,162,148	71,489,880	66,290,297	63,276,595	58,852,274	15
OTHER UTILITY OPERATING INCOME	715,492,640	701,708,352	657,681,756	646,622,508	656,290,938	16
TOTAL UTILITY OPERATING INCOME	783,654,788	773,198,232	723,972,053	709,899,103	715,143,212	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	27,290-	32	367-	3,004-	4,285-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	312,591	322,361	303,130	302,317	298,368	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	38,665,074	22,298,174	9,139,782	1,991,524	59,883	21
INTEREST AND DIVIDEND INCOME	22,386,436	19,103,273	28,406,721	40,872,954	51,995,182	22
ALLOWANCE FOR CONSTRUCTION FUNDS	13,131,185	12,101,008	15,281,245	10,088,802	10,305,707	23
MISCELLANEOUS NONOPERATING INCOME	513	-	159,261	797,208	25,590	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	74,468,509	53,824,848	53,289,772	54,049,801	62,680,445	26
TOTAL INCOME	858,123,297	827,023,080	777,261,825	763,948,904	777,823,657	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	736,881	593,886	617,463	714,528	1,096,300	28
INCOME TAXES-NONOPERATING	4,360,000	3,560,000	7,560,000	9,940,000	18,860,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	8,093,969	7,969,433	7,725,618	8,271,339	6,013,387	32
TOTAL INCOME DEDUCTIONS	13,190,850	12,123,319	15,903,081	18,925,867	25,969,687	33
INCOME BEFORE INTEREST CHARGES	844,932,447	814,899,761	761,358,744	745,023,037	751,853,970	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	214,866,079	196,792,496	195,214,270	180,836,729	168,121,326	35
AMORT. OF DEBT DISCOUNT + EXPENSE	1,514,340	1,401,326	1,397,619	1,303,502	1,219,284	36
AMORT. OF PREMIUM ON DEBT-CREDIT	162,241-	176,407-	198,340-	216,063-	233,860-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	22,648,840	17,599,658	14,830,954	16,691,574	19,015,974	39
TOTAL INTEREST CHARGES	238,867,018	215,617,073	211,244,503	198,615,742	188,122,724	40
INCOME BEFORE EXTRAORDINARY ITEMS	606,065,429	599,282,688	550,114,241	546,407,295	563,731,246	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 606,065,429	$ 599,282,688	$ 550,114,241	$ 546,407,295	$ 563,731,246	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 2,926,983,428	$ 2,752,109,428	$ 2,741,176,021	$ 2,632,985,161	$ 2,593,797,871	44
BALANCE TRANSFERRED FROM INCOME	567,472,368	577,128,539	541,079,680	544,649,056	563,651,053	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	37,297,623	37,540,709	37,778,527	38,051,666	38,352,979	47
-COMMON STOCK	392,281,989	364,703,676	343,452,815	319,693,864	296,922,029	48
ADJUSTMENTS	10,155-	10,154-	148,914,931-	78,712,666-	189,188,755-	49
BALANCE END OF YEAR	3,064,866,029	2,926,983,428	2,752,109,428	2,741,176,021	2,632,985,161	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	71,866,372	33,273,311	11,119,162	2,084,601	326,362	52
TOTAL END OF YEAR	$ 3,136,732,401	$ 2,960,256,739	$ 2,763,228,590	$ 2,743,260,622	$ 2,633,311,523	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	12.4	12.0	12.3	13.3	14.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	10.8	11.7	10.7	10.4	10.2	55
PRETAX COVERAGE OF INTEREST CHARGES	4.8	5.1	5.3	6.0	6.2	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	68.9	64.9	67.0	62.8	56.5	57
RETURN ON COMMON EQUITY	13.2	13.6	12.7	12.7	13.1	58

CONSOLIDATED EDISON CO. OF NEW YORK, INC
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES					
1	RESIDENTIAL	$ 405,253,852	$ 367,434,237	$ 361,915,682	$ 406,511,014	$ 393,936,043
2	COMMERCIAL AND INDUSTRIAL	244,078,493	209,843,838	229,835,969	254,216,284	322,489,137
3	OTHER SALES TO PUBLIC AUTHORITIES	35,973,163	31,816,737	29,191,095	30,989,414	36,308,917
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	685,305,508	609,094,812	620,942,746	691,716,712	752,734,097
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	685,305,508	609,094,812	620,942,746	691,716,712	752,734,097
8	OTHER GAS OPERATING REVENUES	9,155,329	7,183,505	9,744,507	5,256,585	20,777,348
9	TOTAL GAS OPERATING REVENUES	$ 694,460,837	$ 616,278,317	$ 630,687,254	$ 696,973,297	$ 773,511,445
	GAS SALES (MCF)					
10	RESIDENTIAL	47,266,377	47,730,461	45,022,649	45,370,227	43,092,707
11	COMMERCIAL AND INDUSTRIAL	39,876,701	38,840,342	43,004,920	44,258,835	53,509,596
12	OTHER SALES TO PUBLIC AUTHORITIES	7,164,039	7,021,258	5,981,154	5,725,300	5,709,911
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	94,307,117	93,592,061	94,008,723	95,354,362	102,312,214
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	94,307,117	93,592,061	94,008,723	95,354,362	102,312,214
	CUSTOMERS - AVERAGE PER MONTH					
17	RESIDENTIAL	932,015	932,504	932,393	933,274	934,783
18	COMMERCIAL AND INDUSTRIAL	92,409	90,228	88,100	86,185	84,132
19	OTHER SALES TO PUBLIC AUTHORITIES	1,728	1,564	1,499	1,424	1,359
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	1,026,152	1,024,296	1,021,992	1,020,883	1,020,274
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	1,026,152	1,024,296	1,021,992	1,020,883	1,020,274

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 434.81	$ 394.03	$ 388.16	$ 435.58	$ 421.42
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	51	51	48	49	46
26	AVERAGE REVENUE PER MCF SOLD	$ 8.57	$ 7.70	$ 8.04	$ 8.96	$ 9.14
	COMMERCIAL AND INDUSTRIAL SALES					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 2,641.28	$ 2,325.71	$ 2,608.81	$ 2,949.66	$ 3,833.13
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	432	430	488	514	636
29	AVERAGE REVENUE PER MCF SOLD	$ 6.12	$ 5.40	$ 5.34	$ 5.74	$ 6.03

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	251	2,899	7,052	8,638	8,440
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	543,299,761	435,663,606	509,353,427	511,365,409	708,304,987
35	OTHER	255,269,615-	213,359,047-	268,906,889-	204,156,134-	320,433,143-
36	TOTAL PRODUCTION EXPENSE	288,030,397	222,307,458	240,453,590	307,217,913	387,880,284
	NATURAL GAS STORAGE EXPENSES					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	2,834,032	2,802,295	2,705,220	2,740,578	2,562,859
39	TOTAL NATURAL GAS STORAGE EXPENSE	2,834,032	2,802,295	2,705,220	2,740,578	2,562,859
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	94,663,017	87,055,474	84,585,161	82,465,750	78,843,259
42	CUSTOMER ACCOUNTS EXPENSES	30,123,675	29,170,259	29,659,138	30,718,667	32,124,355
43	SALES EXPENSES	4,604,302	5,164,226	4,321,512	3,768,404	3,030,682
44	ADMINISTRATIVE AND GENERAL EXPENSES	50,151,689	46,093,162	42,925,839	48,285,974	48,102,736
45	TOTAL O & M EXPENSES	$ 470,407,112	$ 392,592,874	$ 404,650,460	$ 475,197,286	$ 552,544,175

CONSOLIDATED EDISON CO. OF NEW YORK, INC.
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 694,460,837	$ 616,278,317	$ 630,687,254	$ 696,973,297	$ 773,511,445	1
SALES (MCF)	94,307,117	93,592,061	94,008,723	95,354,362	102,312,214	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 288,030,146	$ 222,304,559	$ 240,446,538	$ 307,209,275	$ 387,871,844	3
WAGES AND BENEFITS	117,367,453	114,583,278	110,730,998	115,691,591	114,287,947	4
OTHER OPERATION AND MAINTENANCE EXPENSES	64,865,753	55,638,011	53,399,805	52,223,301	50,384,384	5
DEPRECIATION AND AMORTIZATION EXPENSES	30,434,164	28,740,627	26,888,286	26,175,029	31,399,153	6
INCOME TAXES - OPERATING	16,873,000	22,465,000	32,033,000	31,484,000	28,215,000	7
OTHER TAXES - OPERATING	108,728,173	101,056,962	100,898,331	100,913,506	102,500,843	8
*INTEREST CHARGES **	24,592,061	20,652,832	18,638,812	18,996,228	17,656,700	9
*PREFERRED DIVIDENDS **	3,837,265	3,594,644	3,635,153	3,639,131	3,597,629	10
EARNINGS AVAILABLE FOR COMMON EQUITY	39,732,822	47,242,404	44,016,332	40,641,236	37,597,947	11
TOTAL	$ 694,460,837	$ 616,278,317	$ 630,687,254	$ 696,973,297	$ 773,511,445	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	41.5	36.1	38.1	44.1	50.1	13
WAGES AND BENEFITS	16.9	18.6	17.6	16.6	14.8	14
OTHER OPERATION AND MAINTENANCE EXPENSES	9.3	9.0	8.5	7.5	6.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	4.4	4.7	4.3	3.8	4.1	16
INCOME TAXES - OPERATING	2.4	3.6	5.1	4.5	3.6	17
OTHER TAXES - OPERATING	15.7	16.4	16.0	14.5	13.3	18
*INTEREST CHARGES **	3.5	3.4	3.0	2.7	2.3	19
*PREFERRED DIVIDENDS **	0.6	0.6	0.6	0.5	0.5	20
EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	7.7	7.0	5.8	4.9	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.05	$ 2.38	$ 2.56	$ 3.22	$ 3.79	23
WAGES AND BENEFITS	1.24	1.22	1.18	1.21	1.12	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.69	0.59	0.57	0.55	0.49	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.32	0.31	0.29	0.27	0.31	26
INCOME TAXES - OPERATING	0.18	0.24	0.34	0.33	0.28	27
OTHER TAXES - OPERATING	1.15	1.08	1.07	1.06	1.00	28
*INTEREST CHARGES **	0.26	0.22	0.20	0.20	0.17	29
*PREFERRED DIVIDENDS **	0.04	0.04	0.04	0.04	0.04	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.42	0.50	0.47	0.43	0.37	31
TOTAL	$ 7.36	$ 6.58	$ 6.71	$ 7.31	$ 7.56	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	9.61	9.98	9.68	9.40	9.39	33

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CORNING NATURAL GAS CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 13,249,502	$ 12,654,150	$ 10,826,745	$ 10,040,475	$ 8,928,097
2	ACCUM PROV FOR DEPR AND AMORT	4,120,125	3,861,149	3,750,062	3,564,134	3,373,312
3	NET GAS UTILITY PLANT	9,129,377	8,793,001	7,076,683	6,476,341	5,554,785
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM PROV FOR DEPR AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	13,249,502	12,654,150	10,826,745	10,040,475	8,928,097
8	ACCUM PROV FOR DEPR AND AMORT	4,120,125	3,861,149	3,750,062	3,564,134	3,373,312
9	NET TOTAL UTILITY PLANT	9,129,377	8,793,001	7,076,683	6,476,341	5,554,785
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPR AND AMORT	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	1,149,850	1,069,597	1,003,722	892,481	805,488
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	425	425	425	425
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,149,850	1,070,022	1,004,147	892,906	805,913
16	CASH	252,771	104,808	190,959	176,760	281,855
17	SPECIAL DEPOSITS	3,332,141	1,721,614	2,632	2,432	100
18	WORKING FUNDS	2,250	2,250	2,550	2,500	2,150
19	TEMPORARY CASH INVESTMENTS	-	3,641	3,453	3,282	133,937
20	NOTES & ACCTS RECEIVABLE LESS ACCUM PROV FOR UNCOLLECTIBLE ACCOUNTS	2,238,105	1,575,946	1,158,170	3,779,283	5,693,324
21	RECEIVABLES - ASSOCIATED COMPANIES	223,148	99,413	96,726	34,888	36,383
22	MATERIALS AND SUPPLIES	149,836	128,359	134,157	141,332	101,095
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	231,104	219,380	201,977	159,867	105,300
26	OTHER CURRENT AND ACCRUED ASSETS	123,198	1,608	-	-	78
27	TOTAL CURRENT AND ACCRUED ASSETS	6,552,553	3,857,019	1,790,624	4,300,344	6,354,222
28	UNAMORTIZED DEBT EXPENSE	287,823	258,666	25,920	25,343	22,000
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	8,832	12,999	16,390	12,706	2,950
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES - DISP OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	-	-	-	-	-
34	ACCUM DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	1,558,982	1,210,920	565,772	1,365,476	1,290,647
36	TOTAL DEFERRED DEBITS	1,855,637	1,482,585	608,082	1,403,525	1,315,597
37	TOTAL ASSETS AND OTHER DEBITS	$ 18,687,417	$ 15,202,627	$ 10,479,536	$ 13,073,116	$ 14,030,517
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 10,649	$ 10,649	$ 10,649	$ 10,649	$ 10,649
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	53,723	54,786	56,927	66,239	38,858
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	3,320,933	3,224,503	3,165,949	2,928,262	2,851,182
45	DISTRIBUTION PLANT	6,155,179	5,939,193	5,654,575	5,354,895	4,599,837
46	GENERAL PLANT	3,705,368	3,417,524	1,506,307	1,458,938	1,388,261
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	13,245,852	12,646,655	10,394,407	9,818,983	8,888,787
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	3,650	7,495	432,338	221,492	39,310
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	13,249,502	12,654,150	10,826,745	10,040,475	8,928,097
56	ACCUM PROV FOR DEPR AND AMORT	4,120,125	3,861,149	3,750,062	3,564,134	3,373,312
57	NET GAS UTILITY PLANT	9,129,377	8,793,001	7,076,683	6,476,341	5,554,785
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	12,646,655	10,394,407	9,818,983	8,888,787	8,649,317
59	ADDITIONS	694,700	2,594,197	689,096	1,024,862	381,319
60	RETIREMENTS	95,503	342,996	94,443	94,665	131,915
61	TRANSFERS AND ADJUSTMENTS	-	1,047	19,229-	1-	9,934-
62	END OF YEAR	$ 13,245,852	$ 12,646,655	$ 10,394,407	$ 9,818,983	$ 8,888,787

EXCLUDES ALLOCATION OF COMMON PLANT

CORNING NATURAL GAS CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 2,131,740	$ 1,981,740	$ 990,870	$ 990,870	$ 990,870	1
PREFERRED STOCK ISSUED	-	-	-	-	-	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	300,000	-	-	-	-	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	71,987-	19,887-	12,743-	-	-	8
RETAINED EARNINGS	1,391,505	1,369,836	2,292,367	2,287,825	2,200,243	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,047,472	967,219	901,344	790,103	703,110	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	4,798,730	4,298,908	4,171,838	4,068,798	3,894,223	12
BONDS (LESS BONDS REACQUIRED)	5,321,000	5,401,000	381,000	461,000	541,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	20,269	28,982	36,860	84,530	112,648	15
NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-	16
TOTAL LONG TERM DEBT	5,341,269	5,429,982	417,860	545,530	653,648	17
NOTES PAYABLE	1,485,000	1,850,000	2,895,000	2,897,000	-	18
ACCOUNTS PAYABLE	2,683,853	1,912,376	1,503,085	3,784,581	6,018,060	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	164,533	167,953	162,079	152,484	138,235	21
TAXES ACCRUED	14,087-	170,672-	21,392-	85,491	114,784	22
INTEREST ACCRUED	33,882	32,819	6,970	8,418	10,458	23
DIVIDENDS DECLARED	-	-	-	-	-	24
TAX COLLECTIONS PAYABLE	17,926	14,190	10,047	17,850	13,690	25
OTHER CURRENT AND ACCRUED LIABILITIES	239,494	160,221	134,760	146,944	165,984	26
TOTAL CURRENT AND ACCRUED LIABILITIES	4,610,601	3,966,887	4,690,549	7,092,768	6,461,214	27
CUSTOMER ADVANCES FOR CONSTRUCTION	6,000	6,000	-	-	-	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	109,793	122,729	135,665	148,601	161,537	30
OTHER DEFERRED CREDITS	2,977,603	482,960	248,873	345,170	1,839,165	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	-	-	-	412,739	346,298	32
LIBERALIZED DEPRECIATION	479,679	409,280	452,980	417,510	630,432	33
OTHER	323,742	445,881	319,771	-	-	34
TOTAL DEFERRED CREDITS	3,896,817	1,466,850	1,157,289	1,324,020	2,977,432	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVE	-	-	-	-	-	37
PENSION AND BENEFITS RESERVE	40,000	40,000	42,000	42,000	44,000	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	40,000	40,000	42,000	42,000	44,000	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 18,687,417	$ 15,202,627	$ 10,479,536	$ 13,073,116	$ 14,030,517	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.42	0.97	0.38	0.61	0.98	42
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	52.6	55.8	9.1	11.8	14.3	43
PREFERRED STOCK	-	-	-	-	-	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	33.6	30.1	40.9	38.5	37.2	45
RETAINED EARNINGS	13.7	14.0	49.9	49.5	48.3	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	40.3	42.9	3.8	5.4	7.3	47
ACCUM. PROV. FOR DEPR. % OF UTILITY PLT	31.0	30.5	34.6	35.4	37.7	48

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Statement of Cash Flows
Corning Natural Gas Corporation
For The Year Ended December 31

		1989	1988
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	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$357,379	$363,468
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	253,983	239,815
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(139,031)	(11,330)
4	Deferred Taxes & ITCs	(64,676)	69,474
5	Current Income Taxes & Other Taxes Payable	160,320	(145,137)
6	Interest Payable	1,868	25,549
7	Equity In Loss (Earnings) Of Affiliates	80,253	65,875
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	2,315,824	(625,080)
10	Total Adjustments	2,608,541	(380,834)
11	Net Cash From Operating Activities	2,965,920	(17,366)
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(722,721)	(2,173,398)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(80,253)	(65,875)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	108,914	350,343
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(694,060)	(1,888,930)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(89,625)	5,011,287
24	Common Stock		
25	Preferred Stock	450,000	
26	Short-term Debt	(365,000)	(1,045,000)
27	Dividends Paid	(460,710)	(420,129)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(52,101)	(7,144)
30	Net Cash From Financing Activities	(517,436)	3,539,014
31	Net Incr./(Decr.) In Cash & Cash Equivalents	1,754,424	1,632,718
32	Cash & Cash Equivalents At Beginning Of Year	1,832,738	200,020
33	Cash & Cash Equivalents At End Of Year	$3,587,162	$1,832,738

CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME						
OPERATING REVENUES	$ 17,441,720	$ 15,009,860	$ 26,796,013	$ 39,629,464	$ 44,577,609	1
OPERATION AND MAINTENANCE EXPENSE	14,965,896	12,884,695	24,539,110	37,176,363	42,114,210	2
DEPRECIATION EXPENSE	283,141	239,815	222,905	211,453	205,100	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,340,103	1,198,158	1,264,423	1,481,371	1,503,400	5
INCOME TAXES	51,987	18,837-	302,367	411,512	242,352-	6
PROVISION FOR DEFERRED INCOME TAXES	425,451	333,597	234,187	302,243	480,316	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	447,191-	251,187-	291,684-	448,724-	34,234	8
MISC ADJUSTMENTS OF INCOME TAXES	-	-	9,167-	9,168-	9,168-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	16,619,386	14,386,241	26,262,140	39,125,050	44,085,740	12
NET OPERATING REVENUES	822,334	623,619	533,873	504,414	491,869	13
INC. - LEASED PLT & OTHER OPER INC	-	-	-	-	-	14
GAS OPERATING INCOME	822,344	623,619	533,873	504,414	491,869	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	822,334	623,619	533,873	504,414	491,869	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	205,253	190,875	176,243	151,993	129,600	21
INTEREST AND DIVIDEND INCOME	194,656	28,404	33,757	30,204	26,625	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	106,527	43,633	19,674	-	23
MISCELLANEOUS NONOPERATING INCOME	29,334	2,244	-	12,561	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	429,243	328,050	253,633	214,432	156,225	26
TOTAL INCOME	1,251,577	951,669	787,506	718,846	648,094	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	12,936-	12,936-	22,103-	22,104-	21,882-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	2,914	2,914	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	17,364	11,520	13,878	4,609	7,160	32
TOTAL INCOME DEDUCTIONS	7,342	1,498	8,225-	17,495-	14,722-	33
INCOME BEFORE INTEREST CHARGES	1,244,235	950,171	795,731	736,341	662,816	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	486,610	45,370	49,067	53,571	62,171	35
AMORT. OF DEBT DISCOUNT + EXPENSE	12,768	3,057	3,467	3,505	3,505	36
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	182,225	347,401	223,139	140,050	125,667	39
TOTAL INTEREST CHARGES	681,603	395,828	275,673	197,126	191,343	40
INCOME BEFORE EXTRAORDINARY ITEMS	562,632	554,343	520,058	539,215	471,473	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 562,632	$ 554,343	$ 520,058	$ 539,215	$ 471,473	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 1,369,836	$ 2,292,367	$ 2,287,825	$ 2,200,243	$ 2,134,229	44
BALANCE TRANSFERRED FROM INCOME	482,379	488,468	408,815	452,222	406,873	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	47
-COMMON STOCK	460,710	420,129	404,273	364,640	340,859	48
ADJUSTMENTS	-	990,870-	-	-	-	49
BALANCE END OF YEAR	1,391,505	1,369,836	2,292,367	2,287,825	2,200,243	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	1,047,472	967,219	901,346	790,103	703,110	52
TOTAL END OF YEAR	$ 2,438,977	$ 2,337,055	$ 3,193,713	$ 3,077,928	$ 2,903,353	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.2	3.6	1.9	1.3	1.0	55
PRETAX COVERAGE OF INTEREST CHARGES	1.9	2.5	3.7	4.9	4.7	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	81.8	75.7	77.7	67.6	72.2	57
RETURN ON COMMON EQUITY	12.3	13.0	12.6	13.5	12.3	58

CORNING NATURAL GAS CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES					
1	RESIDENTIAL	$ 9,198,821	$ 7,125,204	$ 6,784,555	$ 7,833,581	$ 7,661,562
2	COMMERCIAL AND INDUSTRIAL	3,912,049	4,275,548	5,445,978	9,232,602	10,824,688
3	OTHER SALES TO PUBLIC AUTHORITIES	781,092	584,154	569,911	707,327	721,999
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	13,891,962	11,984,906	12,800,444	17,773,510	19,208,249
6	RESALE	2,050,478	1,807,075	13,347,842	21,607,574	25,203,928
7	TOTAL REVENUES FROM SALES OF GAS	15,942,440	13,791,981	26,148,286	39,381,084	44,412,177
8	OTHER GAS OPERATING REVENUES	1,499,280	1,217,879	647,727	248,379	165,432
9	TOTAL GAS OPERATING REVENUES	$ 17,441,720	$ 15,009,860	$ 26,796,013	$ 39,629,463	$ 44,577,609
	GAS SALES (MCF)					
10	RESIDENTIAL	1,643,180	1,653,301	1,552,624	1,533,931	1,495,807
11	COMMERCIAL AND INDUSTRIAL	744,786	1,086,582	1,408,018	2,062,219	2,247,715
12	OTHER SALES TO PUBLIC AUTHORITIES	144,655	144,150	137,308	144,175	147,428
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	2,532,621	2,884,033	3,097,950	3,740,325	3,890,950
15	RESALE	529,570	506,250	3,846,155	5,116,216	5,707,731
16	TOTAL GAS SALES	3,062,191	3,390,283	6,944,105	8,856,541	9,598,681
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	11,701	11,510	11,278	11,084	11,011
18	COMMERCIAL AND INDUSTRIAL	851	833	817	812	796
19	OTHER SALES TO PUBLIC AUTHORITIES	100	100	101	100	105
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	12,652	12,443	12,196	11,996	11,912
22	RESALE	1	1	2	2	2
23	TOTAL CUSTOMERS	12,653	12,444	12,198	11,998	11,914

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 786.16	$ 619.04	$ 601.57	$ 706.75	$ 695.81
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	140	144	138	138	136
26	AVERAGE REVENUE PER MCF SOLD	$ 5.60	$ 4.31	$ 4.37	$ 5.11	$ 5.12
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,597.00	$ 5,132.71	$ 6,665.82	$ 11,370.20	$ 13,598.85
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	875	1,304	1,723	2,540	2,824
29	AVERAGE REVENUE PER MCF SOLD	$ 5.25	$ 3.93	$ 3.87	$ 4.48	$ 4.82

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	12,292,866	10,320,484	22,155,867	34,864,794	40,060,851
35	OTHER	13,560	13,336	11,439	7,085	7,803
36	TOTAL PRODUCTION EXPENSE	12,306,426	10,333,820	22,167,306	34,871,879	40,068,654
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	240,933	227,297	218,318	203,814	206,891
41	DISTRIBUTION EXPENSES	518,611	491,530	529,986	583,880	453,498
42	CUSTOMER ACCOUNTS EXPENSES	373,010	353,089	332,291	321,796	320,039
43	SALES EXPENSES	115,343	109,468	102,789	106,488	99,651
44	ADMINISTRATIVE AND GENERAL EXPENSES	1,411,573	1,369,491	1,188,420	1,088,506	965,477
45	TOTAL O & M EXPENSES	$ 14,965,896	$ 12,884,695	$ 24,539,110	$ 37,176,363	$ 42,114,210

CORNING NATURAL GAS CORPORATION
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
REVENUES	$ 17,441,720	$ 15,009,860	$ 26,796,013	$ 39,629,464	$ 44,577,609	1
SALES (MCF)	3,062,191	3,390,283	6,944,105	8,856,541	9,598,681	2
DOLLAR AMOUNTS						
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 12,306,426	$ 10,333,820	$ 22,167,306	$ 34,871,879	$ 40,068,654	3
WAGES AND BENEFITS	1,673,938	1,612,876	1,461,574	1,458,970	1,367,126	4
OTHER OPERATION AND MAINTENANCE EXPENSES	985,532	937,999	910,230	845,514	678,430	5
DEPR. AND AMORT. EXPENSES	283,141	239,815	222,905	211,453	205,100	6
INCOME TAXES - OPERATING	30,247	63,573	235,703	255,863	263,030	7
OTHER TAXES - OPERATING	1,340,103	1,198,158	1,264,423	1,481,371	1,503,400	8
*INTEREST CHARGES **	681,603	289,301	232,040	177,452	191,343	9
*PREFERRED DIVIDENDS **	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	140,731	334,318	301,833	326,962	300,526	11
TOTAL	$ 17,441,720	$ 15,009,860	$ 26,796,013	$ 39,629,464	$ 44,577,609	12
PERCENT OF REVENUES						
PURCHASED GAS & OTHER SUPPLY EXPENSE	70.6	68.8	82.7	88.0	89.9	13
WAGES AND BENEFITS	9.6	10.7	5.5	3.7	3.1	14
OTHER OPERATION AND MAINTENANCE EXPENSES	5.7	6.2	3.4	2.1	1.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	1.6	1.6	0.8	0.5	0.5	16
INCOME TAXES - OPERATING	0.2	0.4	0.9	0.6	0.6	17
OTHER TAXES - OPERATING	7.7	8.0	4.7	3.7	3.4	18
*INTEREST CHARGES **	3.9	1.9	0.9	0.4	0.4	19
*PREFERRED DIVIDENDS**	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	0.8	2.2	1.1	0.8	0.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
DOLLARS PER MCF						
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.02	$ 3.05	$ 3.19	$ 3.94	$ 4.17	23
WAGES AND BENEFITS	0.55	0.48	0.21	0.16	0.14	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.32	0.28	0.13	0.10	0.07	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.09	0.07	0.03	0.02	0.02	26
INCOME TAXES - OPERATING	0.01	0.02	0.03	0.03	0.03	27
OTHER TAXES - OPERATING	0.44	0.35	0.18	0.17	0.16	28
*INTEREST CHARGES **	0.22	0.09	0.03	0.02	0.02	29
*PREFERRED DIVIDENDS **	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.05	0.10	0.04	0.04	0.03	31
TOTAL	$ 5.70	$ 4.43	$ 3.86	$ 4.47	$ 4.64	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

**NET OF AFC

LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 546,272,940	$ 498,090,232	$ 460,660,316	$ 428,139,489	$ 397,767,512
2	ACCUM. PROV. FOR DEPR. AND AMORT.	148,037,933	138,141,795	128,534,894	120,532,335	112,965,804
3	NET GAS UTILITY PLANT	398,235,007	359,948,437	332,125,422	307,607,154	284,801,708
4	OTHER UTILITY PLANT	3,401,523,977	7,527,342,641	8,821,829,263	8,287,176,391	7,769,471,113
5	ACCUM. PROV. FOR DEPR. AND AMORT.	1,013,421,380	936,987,019	854,737,335	798,919,921	740,105,284
6	NET OTHER UTILITY PLANT	2,388,102,597	6,590,355,622	7,967,091,928	7,488,256,470	7,029,365,829
7	TOTAL UTILITY PLANT	3,947,796,917	8,025,432,873	9,282,489,579	8,715,315,880	8,167,238,625
8	ACCUM. PROV. FOR DEPR. AND AMORT	1,161,459,313	1,075,128,814	983,272,229	919,452,256	853,071,088
9	NET TOTAL UTILITY PLANT	2,786,337,604	6,950,304,059	8,299,217,350	7,795,863,624	7,314,167,537
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT	4,573,107	1,026,985	1,032,551	995,388	1,885,950
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	355,296	333,687	353,948	444,207	519,522
13	OTHER INVESTMENTS	585,009	67,351,837	66,819,347	66,885,216	65,941,156
14	SPECIAL FUNDS	536,072	558,429	558,429	58,428	59,212
15	TOTAL OTHER PROPERTY AND INVESTMENTS	5,049,484	69,270,938	68,764,285	68,383,239	68,405,840
16	CASH	15,734,404	13,477,482	19,818,903	14,227,831	11,829,970
17	SPECIAL DEPOSITS	22,455,184	12,760,118	13,677,593	4,751,280-	74,863,124
18	WORKING FUNDS	228,740	169,800	176,025	176,925	197,580
19	TEMPORARY CASH INVESTMENTS	324,340,979	78,901,539	190,786,000	351,881,000	3,300,000
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	256,559,768	192,441,224	168,083,466	171,466,747	177,601,513
21	RECEIVABLES - ASSOCIATED COMPANIES	58,325	116,655	-	1,545-	1,838-
22	MATERIALS AND SUPPLIES	119,008,084	83,577,801	82,325,391	62,716,132	71,197,194
23	GAS STORED UNDERGROUND - CURRENT	33,495,474	33,881,716	43,505,579	36,962,550	37,170,628
24	LIQUEFIED NATURAL GAS IN STORAGE	1,926,540	2,088,983	2,132,050	2,028,167	2,257,044
25	PREPAYMENTS	8,321,009	33,676,174	14,035,410	9,238,359	12,047,416
26	OTHER CURRENT AND ACCRUED ASSETS	194,722,995	115,663,012	42,421,307	21,996,650	23,987,547
27	TOTAL CURRENT AND ACCRUED ASSETS	976,851,502	566,754,504	576,961,724	665,941,536	414,450,178
28	UNAMORTIZED DEBT EXPENSE	107,376,239	52,688,648	59,059,186	65,624,119	31,833,338
29	EXTRAORDINARY PROPERTY LOSSES	3,988,344,005	98,615,877	118,484,593	127,590,121	25,537,410
30	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	5,553,108-	3,639,828-	2,106,876	7,472,505-	15,062,718-
34	ACCUM. DEFERRED INCOME TAXES	1,016,211,327	525,029,192	127,060,820	65,798,589	26,285,692
35	OTHER DEFERRED DEBITS	398,333,643	67,313,698	47,596,620	61,880,250	88,877,333
36	TOTAL DEFERRED DEBITS	5,504,712,106	740,007,587	354,308,095	313,420,574	157,471,055
37	TOTAL ASSETS AND OTHER DEBITS	$ 9,273,950,696	$ 8,326,337,088	$ 9,299,251,454	$ 8,843,608,973	$ 7,954,494,610
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	9,054,495	7,807,093	7,220,897	7,096,219	5,507,086
40	NATURAL GAS PLANT	573,668	579,625	601,659	654,699	685,086
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	19,097,389	18,176,925	14,680,989	14,273,321	12,697,753
44	TRANSMISSION PLANT	61,072,379	61,785,708	63,789,742	64,289,061	61,461,111
45	DISTRIBUTION PLANT	413,982,349	372,457,370	344,775,163	313,922,553	290,208,827
46	GENERAL PLANT	15,444,838	15,389,013	14,784,735	14,267,532	12,885,244
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	754,383	754,383	754,383	754,383	754,383
50	TOTAL GAS PLANT IN SERVICE	519,979,501	476,950,117	446,607,568	415,257,768	384,199,490
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	26,293,439	21,140,115	14,052,748	12,881,722	13,568,023
54	PLANT ACQUISITION ADJUSTMENIS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	546,272,940	498,090,232	460,660,316	428,139,489	397,767,512
56	ACCUM. PROV. FOR DEPR. AND AMORT.	148,037,933	138,141,795	128,534,894	120,532,335	112,965,804
57	NET GAS UTILITY PLANT	398,235,007	359,948,437	332,125,422	307,607,154	284,801,708
	PLANT IN SERVICE:					
58	BEGINNING OF YEAR	476,950,117	446,607,570	415,257,768	384,199,490	368,532,182
59	ADDITIONS	44,684,406	31,343,977	33,099,308	32,663,911	16,941,760
60	RETIREMENTS	1,664,503	1,001,430	1,623,747	1,605,633	1,274,452
61	TRANSFERS AND ADJUSTMENTS	9,481	-	125,761-	-	-
62	END OF YEAR	$ 519,979,501	$ 476,950,117	$ 446,607,568	$ 415,257,767	$ 384,199,489

*EXCLUDES ALLOCATION OF COMMON PLANT

LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 556,247,370	$ 555,965,040	$ 555,749,090	$ 555,524,975	$ 555,294,495	1
PREFERRED STOCK ISSUED	710,417,100	754,861,600	754,863,100	754,865,500	754,868,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	991,718,578	997,610,978	997,445,750	997,219,759	996,986,474	5
OTHER PAID-IN CAPITAL	-	3,637,299	3,637,299	3,637,299	3,637,299	6
INSTALLMENTS REC'D ON CAPITAL STOCK	4,711	79,884	96,259	100,886	107,481	7
CAPITAL STOCK EXPENSE	42,916,552-	56,151,152-	56,143,605-	56,138,161-	56,116,102-	8
RETAINED EARNINGS	436,606,048	1,020,524,245	2,067,113,913	1,797,122,776	1,480,471,857	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	84,368	62,759	93,310	196,644	172,471	10
REACQUIRED CAPITAL STOCK	-	58,430,006-	40,881,373-	25,701,240-	7,653,963-	11
TOTAL PROPRIETARY CAPITAL	2,652,161,623	3,218,160,647	4,281,973,743	4,026,828,438	3,727,768,012	12
BONDS (LESS BONDS REACQUIRED)	1,629,000,000	2,250,000,000	2,294,000,000	2,318,000,000	2,141,000,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	2,938,015,885	1,474,601,106	1,511,796,180	1,511,796,180	1,292,095,003	15
NET UNAMORTIZED PREMIUM + DISCOUNT	28,586,307-	25,011,796-	26,646,043-	28,281,187-	9,414,094-	16
TOTAL LONG TERM DEBT	4,538,429,578	3,699,589,310	3,779,150,137	3,801,514,993	3,423,680,909	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	136,431,342	102,521,422	84,015,717	89,185,088	102,166,095	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	18,458,965	17,288,048	16,347,729	15,361,594	14,013,590	21
TAXES ACCRUED	98,435,058	35,877,212	1,863,992	18,099,121	20,100,409	22
INTEREST ACCRUED	64,425,141	70,207,364	70,603,556	69,967,486	59,618,325	23
DIVIDENDS DECLARED	39,172,644	-	-	-	-	24
TAX COLLECTIONS PAYABLE	5,217,547	3,965,824	3,776,599	3,359,316	4,174,097	25
OTHER CURRENT AND ACCRUED LIABILITIES	88,105,637	58,489,682	44,309,027	36,307,104	45,267,803	26
TOTAL CURRENT AND ACCRUED LIABILITIES	450,246,334	288,349,552	220,916,620	232,279,709	245,340,319	27
CUSTOMER ADVANCES FOR CONSTRUCTION	7,230,903	6,902,855	6,678,860	5,308,768	4,428,264	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	9,886,818	21,887,357	22,740,987	71,384,400	289,045,446	30
OTHER DEFERRED CREDITS	1,184,097,753	137,112,438	76,537,688	69,886,185	183,838,163	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	20,511	451,501	882,480	1,313,530	32
LIBERALIZED DEPRECIATION	301,958,952	767,463,201	814,463,397	565,252,901	39,516,513	33
OTHER	119,087,288	174,604,229	83,741,727	55,238,665	30,229,919	34
TOTAL DEFERRED CREDITS	1,622,261,714	1,107,990,591	1,004,614,160	767,953,399	548,371,835	35
PROPERTY INSURANCE RESERVE	-	6,555,000	-	-	-	36
INJURIES AND DAMAGE RESERVES	6,881,672	2,300,000	7,700,000	9,290,418	8,456,239	37
PENSION AND BENEFITS RESERVE	2,938,542	3,391,988	2,149,716	1,808,824	2,097,539	38
MISCELLANEOUS OPERATING RESERVES	1,031,233	-	2,747,078	3,933,192	1,220,243-	39
TOTAL OPERATING RESERVES	10,851,447	12,246,988	12,596,794	15,032,434	9,333,535	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 9,273,950,696	$ 8,326,337,088	$ 9,299,251,454	$ 8,843,608,973	$ 7,954,494,610	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	2.17	1.97	2.61	2.87	1.69	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	63.1	53.4	46.8	48.5	47.8	43
PREFERRED STOCK	9.8	10.9	9.3	9.6	10.5	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.9	20.8	18.1	18.8	20.8	45
RETAINED EARNINGS	6.0	14.7	25.6	22.9	20.7	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	114.9	46.0	40.7	43.6	41.9	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT.	29.4	13.3	10.5	10.5	10.4	48

Statement of Cash Flows
Long Island Lighting Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	($95,803,000)	($1,046,620,000)
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	223,113,000	101,881,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(5,843,000)	(4,538,000)
4	Deferred Taxes & ITCs	(1,052,023,000)	93,452,000
5	Current Income Taxes & Other Taxes Payable	66,750,000	9,577,000
6	Interest Payable	(5,782,000)	(397,000)
7	Equity In Loss (Earnings) Of Affiliates	6,000	73,000
8	Capitalized AFDUC - Equity Funds	1,166,000	(75,491,000)
9	Other Adjustments	1,109,032,000	1,336,424,000
10	Total Adjustments	336,419,000	1,460,981,000
11	Net Cash From Operating Activities	240,616,000	414,361,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(276,260,000)	(485,666,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(421,000)	(459,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		52,200,000
22	Net Cash From Investing Activities	(276,681,000)	(433,925,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	808,765,000	(81,195,000)
24	Common Stock		
25	Preferred Stock	1,382,000	(17,549,000)
26	Short-term Debt		
27	Dividends Paid	(446,194,000)	
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(80,133,000)	76,000
30	Net Cash From Financing Activities	283,820,000	(98,668,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	247,755,000	(118,232,000)
32	Cash & Cash Equivalents At Beginning Of Year	92,549,000	210,781,000
33	Cash & Cash Equivalents At End Of Year	$340,304,000	$92,549,000

LONG ISLAND LIGHTING COMPANY
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 374,457,096	$ 370,296,188	$ 391,704,077	$ 372,849,072	$ 438,420,039	1
OPERATION AND MAINTENANCE EXPENSE	272,143,576	257,887,569	279,094,046	270,773,889	321,640,210	2
DEPRECIATION EXPENSE	11,664,379	10,758,150	9,998,988	8,907,532	8,158,905	3
AMORTIZATION	6,991	27,247	65,571	37,588	72,626	4
TAXES OTHER THAN INCOME TAXES	51,934,620	48,220,476	50,111,883	47,483,475	46,678,329	5
INCOME TAXES	107,077	-	18,559,818	5,969,089	9,223,864	6
PROVISION FOR DEFERRED INCOME TAXES	18,865,645	13,413,610	12,323,279	1,926,397-	2,107,164	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	10,787,596-	87,020	16,570,517-	6,193,287	9,314,757	8
MISC. ADJUSTMENTS OF INCOME TAXES	1,283,000	1,659,000	359,000	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	345,217,692	332,053,072	353,942,068	337,438,463	397,195,855	12
NET OPERATING REVENUES	29,239,404	38,243,116	37,762,009	35,410,609	41,224,184	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	29,239,404	38,243,116	37,762,009	35,410,609	41,224,184	15
OTHER UTILITY OPERATING INCOME	591,183,787	462,695,021	344,842,051	351,668,597	346,915,754	16
TOTAL UTILITY OPERATING INCOME	620,423,191	500,938,137	382,604,060	387,079,206	388,139,938	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	336,120-	200,928-	93,890	58,568-	38,691-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	129,079-	14,717-	30,211-	26,521-	67,238	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	79,929	96,394	27,643	70,914	66,504	21
INTEREST AND DIVIDEND INCOME	38,170,945	14,784,134	20,298,198	9,154,261	2,414,817	22
ALLOWANCE FOR CONSTRUCTION FUNDS	101,712,979	150,005,644	181,034,207	251,389,566	378,239,590	23
MISCELLANEOUS NONOPERATING INCOME	13,264,716	17,856,981	573,251	1,315,550	39,768-	24
GAIN ON DISPOSITION OF PROPERTY	151,336	41,778	127,893	504,862	13,120	25
TOTAL OTHER INCOME	152,914,706	182,569,286	202,124,871	262,350,064	380,722,810	26
TOTAL INCOME	773,337,897	683,507,423	584,728,931	649,429,270	768,862,748	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,292,521	929,500-	102,136	770,284-	353,495	28
INCOME TAXES-NONOPERATING	322,991,446-	88,264,400-	118,866,914-	82,577,549-	85,049,531-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	19,250	351,965	6,485	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	705,206,989	43,542,340	6,084,850	20,678,540	2,727,274	32
TOTAL INCOME DEDUCTIONS	384,508,064	45,651,560-	112,660,678-	62,317,328-	81,962,277-	33
INCOME BEFORE INTEREST CHARGES	388,829,833	729,158,983	697,389,609	711,746,598	850,825,025	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	453,267,471	410,966,677	410,097,509	379,751,440	310,975,697	35
AMORT. OF DEBT DISCOUNT + EXPENSE	14,842,781	8,385,929	8,902,792	7,253,392	11,257,645	36
AMORT. OF PREMIUM ON DEBT-CREDIT	100,185-	100,715-	101,692-	111,470-	115,692-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	16,623,245	11,417,608	8,603,197	8,178,144	4,419,348	39
TOTAL INTEREST CHARGES	484,633,312	430,669,499	427,501,806	395,071,506	326,536,998	40
INCOME BEFORE EXTRAORDINARY ITEMS	95,803,479-	298,489,484	269,887,803	316,675,092	524,288,027	41
EXTRAORDINARY ITEMS - NET	-	1,345,109,703-	-	-	-	42
NET INCOME	$ 95,803,479-	$ 1,046,620,219-	$ 269,887,803	$ 316,675,092	$ 524,288,027	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 1,020,524,245	$ 2,067,113,913	$ 1,797,122,776	$ 1,480,471,857	$ 956,192,008	44
BALANCE TRANSFERRED FROM INCOME	95,825,088-	1,046,589,668-	269,991,137	316,650,919	524,279,849	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	429,749,209	-	-	-	-	47
-COMMON STOCK	55,617,585	-	-	-	-	48
ADJUSTMENTS	2,726,315-	-	-	-	-	49
BALANCE END OF YEAR	436,606,048	1,020,524,245	2,067,113,913	1,797,122,776	1,480,471,857	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	84,368	62,759	93,310	196,644	172,471	52
TOTAL END OF YEAR	$ 436,690,416	$ 1,020,587,004	$ 2,067,207,223	$ 1,797,319,420	$ 1,480,644,328	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	15.8	17.1	18.5	18.7	20.7	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.9-	48.4-	12.7	15.9	24.7	55
PRETAX COVERAGE OF INTEREST CHARGES	1.2-	2.0	2.0	2.2	2.8	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	-	-	-	-	-	57
RETURN ON COMMON EQUITY	-	-	5.6	7.5	16.2	58

LONG ISLAND LIGHTING COMPANY
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 240,884,396	$ 233,114,751	$ 227,180,473	$ 243,329,924	$ 225,995,049
2	COMMERCIAL AND INDUSTRIAL	120,250,557	115,012,694	115,859,875	121,984,708	126,756,742
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	7,807,305	17,069,416	36,754,440	5,467,697	82,742,339
5	TOTAL REVENUES - ULTIMATE CONSUMERS	368,942,258	365,196,861	379,794,788	370,802,329	435,494,130
6	RESALE	-	-	4,969,983	-	-
7	TOTAL REVENUES FROM SALES OF GAS	368,942,258	365,196,861	384,764,771	370,802,329	435,494,130
8	OTHER GAS OPERATING REVENUES	5,514,838	5,099,327	6,939,306	2,046,743	2,925,909
9	TOTAL GAS OPERATING REVENUES	$ 374,457,096	$ 370,296,188	$ 391,704,077	$ 372,849,072	$ 438,420,039
	GAS SALES (MCF):					
10	RESIDENTIAL	34,429,696	33,799,822	31,811,233	30,958,838	28,929,719
11	COMMERCIAL AND INDUSTRIAL	20,737,012	20,081,020	20,227,578	19,046,949	19,032,617
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	3,182,676	5,990,841	11,862,074	1,022,532	19,350,089
14	TOTAL SALES TO ULTIMATE CONSUMERS	58,349,384	59,871,683	63,900,885	51,028,319	67,312,425
15	RESALE	-	-	2,157,624	-	-
16	TOTAL GAS SALES	58,349,384	59,871,683	66,058,509	51,028,319	67,312,425
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	384,394	380,875	376,961	373,225	371,187
18	COMMERCIAL AND INDUSTRIAL	39,609	38,029	36,311	34,692	33,162
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	1	1	1	1	-
21	TOTAL ULTIMATE CONSUMERS	424,006	418,905	413,273	407,917	404,349
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	424,006	418,905	413,273	407,917	404,349

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 626.66	$ 612.05	$ 602.66	$ 651.97	$ 608.84
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	90	89	84	83	78
26	AVERAGE REVENUE PER MCF SOLD	$ 7.00	$ 6.90	$ 7.14	$ 7.86	$ 7.81
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,035.94	$ 3,024.34	$ 3,190.77	$ 3,516.22	$ 3,822.35
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	524	528	557	549	574
29	AVERAGE REVENUE PER MCF SOLD	$ 5.80	$ 5.73	$ 5.73	$ 6.40	$ 6.66

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	$ 76,506	$ 79,014	$ 148,454	$ 81,472	$ 144,399
31	MANUFACTURED GAS	617,378	679,211	927,537	911,981	805,287
	NATURAL GAS					
32	PRODUCTION AND GATHERING	5,443	3,229	2,057	5,192	7,606
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	192,702,364	177,299,746	215,417,154	208,218,673	277,382,554
35	OTHER	1,022,345	10,244,528	6,051,665-	999,569	4,704,045
36	TOTAL PRODUCTION EXPENSE	194,424,036	188,305,728	210,443,537	210,216,887	283,043,891
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	2,383,074	2,323,761	2,289,059	2,175,550	2,149,712
39	TOTAL NATURAL GAS STORAGE EXPENSE	2,383,074	2,323,761	2,289,059	2,175,550	2,149,712
40	TRANSMISSION EXPENSES	5,871,525	5,365,255	5,628,095	4,815,577	4,400,631
41	DISTRIBUTION EXPENSES	38,846,271	34,194,868	34,856,490	31,968,309	30,123,883
42	CUSTOMER ACCOUNTS EXPENSES	9,909,013	8,840,325	8,575,093	7,905,942	7,578,900
43	SALES EXPENSES	3,832,698	3,700,455	2,939,655	1,710,792	769,096
44	ADMINISTRATIVE AND GENERAL EXPENSES	16,876,959	15,157,177	14,362,117	11,980,832	6,425,906-
45	TOTAL O & M EXPENSES	$ 272,143,576	$ 257,887,569	$ 279,094,046	$ 270,773,889	$ 321,640,210

LONG ISLAND LIGHTING COMPANY
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 374,457,096	$ 370,296,188	$ 391,704,077	$ 372,849,072	$ 438,420,039	1
SALES (MCF)	58,349,384	59,871,683	66,058,509	51,028,319	67,312,425	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 193,724,709	$ 187,544,274	$ 209,365,489	$ 209,218,242	$ 282,086,599	3
WAGES AND BENEFITS	46,660,856	44,706,415	44,142,426	39,989,463	21,848,357	4
OTHER OPERATION AND MAINTENANCE EXPENSES	31,758,011	25,636,880	25,586,131	21,566,184	17,705,254	5
DEPRECIATION AND AMORTIZATION EXPENSES	11,671,370	10,785,397	10,064,559	8,945,120	8,231,531	6
INCOME TAXES - OPERATING	9,468,126	15,159,630	14,671,580	10,235,979	20,645,785	7
OTHER TAXES - OPERATING	51,934,620	48,220,476	50,111,883	47,483,475	46,678,329	8
*INTEREST CHARGES **	74,560,879	20,722,677	16,571,665	15,901,027	13,881,566	9
*PREFERRED DIVIDENDS **	59,582,645	3,878,266	2,944,146	3,047,567	3,181,381	10
EARNINGS AVAILABLE FOR COMMON EQUITY	104,904,120-	13,642,173	18,246,198	16,462,015	24,161,237	11
TOTAL	$ 374,457,096	$ 370,296,188	$ 391,704,077	$ 372,849,072	$ 438,420,039	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	51.7	50.6	53.4	56.1	64.3	13
WAGES AND BENEFITS	12.5	12.1	11.3	10.7	5.0	14
OTHER OPERATION AND MAINTENANCE EXPENSES	8.5	6.9	6.5	5.8	4.0	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.1	2.9	2.6	2.4	1.9	16
INCOME TAXES - OPERATING	2.5	4.1	3.7	2.7	4.7	17
OTHER TAXES - OPERATING	13.9	13.0	12.8	12.7	10.6	18
*INTEREST CHARGES **	19.9	5.6	4.2	4.3	3.2	19
*PREFERRED DIVIDENDS **	15.9	1.0	0.8	0.8	0.7	20
EARNINGS AVAILABLE FOR COMMON EQUITY	27.9-	3.7	4.7	4.4	5.5	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.32	$ 3.13	$ 3.17	$ 4.10	$ 4.19	23
WAGES AND BENEFITS	0.80	0.75	0.67	0.78	0.32	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.54	0.43	0.39	0.42	0.26	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.18	0.15	0.18	0.12	26
INCOME TAXES - OPERATING	0.16	0.25	0.22	0.20	0.31	27
OTHER TAXES - OPERATING	0.89	0.81	0.76	0.93	0.69	28
*INTEREST CHARGES **	1.28	0.35	0.25	0.31	0.21	29
*PREFERRED DIVIDENDS **	1.02	0.06	0.04	0.06	0.05	30
EARNINGS AVAILABLE FOR COMMON EQUITY	1.79-	0.23	0.28	0.32	0.36	31
TOTAL	$ 6.42	$ 6.18	$ 5.93	$ 7.31	$ 6.51	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	14.76	5.24	4.04	3.98	3.93	33

** NET OF AFC.

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 767,246,466	$ 713,667,746	$ 658,029,660	$ 614,583,450	$ 576,645,541
2	ACCUM. PROV. FOR DEPR. AND AMORT.	166,877,059	154,371,552	143,540,660	132,003,630	125,260,770
3	NET GAS UTILITY PLANT	600,369,407	559,296,194	514,489,000	482,579,830	451,384,771
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROV. FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	767,246,466	713,667,746	658,029,660	614,583,450	576,645,541
8	ACCUM. PROV. FOR DEPR. AND AMORT.	166,877,059	154,371,552	143,540,660	132,003,630	125,260,770
9	NET TOTAL UTILITY PLANT	600,369,407	559,296,194	514,489,000	482,579,830	451,384,771
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	80,137	80,137	83,225	83,225	83,225
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	6,338	11,338	16,337	42,194	368,626
14	SPECIAL FUNDS	1,928,186	518,334	494,107	365,928	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,014,661	609,809	593,669	491,347	451,851
16	CASH	11,261,109	8,196,925	8,148,797	10,688,885	10,240,372
17	SPECIAL DEPOSITS	17,150-	3,631,662	3,409,096	3,225,172	3,034,569
18	WORKING FUNDS	572,335	577,035	515,210	521,039	466,934
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	98,591,550	73,199,969	54,876,211	56,324,143	73,543,416
21	RECEIVABLES - ASSOCIATED COMPANIES	15,199,130	6,646,256	6,473,937	822,091	927,474
22	MATERIALS AND SUPPLIES	-	8,180,130	8,098,382	6,992,214	8,087,526
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	10,553,354	8,874,056	10,395,361	9,213,050	7,018,171
26	OTHER CURRENT AND ACCRUED ASSETS	626,292	169,833	405,382	560,244	120,307
27	TOTAL CURRENT AND ACCRUED ASSETS	136,786,620	109,475,866	92,322,376	88,346,838	103,438,769
28	UNAMORTIZED DEBT EXPENSE	-	2,119,824	2,021,363	2,129,169	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	140,756	82,263	77,409	49,907	35,692
31	CLEARING ACCOUNTS	566,817	1,271,688	377,044	395,337	186,265
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	1,424,246	1,485,507	613,244	382,146	158,218
34	ACCUM. DEFERRED INCOME TAXES	178,691-	139,971-	197,640-	189,026-	171,994-
35	OTHER DEFERRED DEBITS	86,636,732	47,728,517	37,108,526	41,676,184	50,345,351
36	TOTAL DEFERRED DEBITS	88,589,860	52,547,828	39,999,946	44,443,717	50,553,532
37	TOTAL ASSETS AND OTHER DEBITS	$ 827,760,548	$ 721,929,697	$ 647,404,991	$ 615,861,732	$ 605,828,923
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 318,881	$ 318,881	$ 318,881	$ 318,881	$ 318,881
	PRODUCTION PLANT:					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	18,650,925	18,600,561	18,292,695	18,280,298	18,160,965
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	31,368,083	29,907,356	26,758,218	24,993,655	25,735,258
45	DISTRIBUTION PLANT	666,084,964	618,467,122	566,669,326	528,854,697	495,294,718
46	GENERAL PLANT	38,809,142	37,987,055	36,186,037	34,560,598	31,646,323
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	755,231,995	705,280,975	648,225,157	607,008,129	571,156,145
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	12,014,471	8,386,771	9,804,503	7,575,331	5,489,396
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	757,246,456	713,667,746	658,029,660	614,583,460	576,645,541
56	ACCUM. PROV. FOR DEPR. AND AMORT.	166,877,059	154,371,552	143,540,660	132,003,630	125,260,770
57	NET GAS UTILITY PLANT	600,369,407	559,296,194	514,489,000	482,579,830	451,384,771
	PLANT IN SERVICE:					
58	BEGINNING OF YEAR	705,280,975	648,225,157	607,008,129	571,156,145	528,843,572
59	ADDITIONS	41,824,511	53,106,492	36,421,924	32,539,435	41,881,237
60	RETIREMENTS	7,126,890	5,868,064	5,939,827	6,855,464	3,888,431
61	TRANSFERS AND ADJUSTMENTS	15,253,399	9,817,390	10,734,931	10,168,013	4,319,767
62	END OF YEAR	$ 755,231,995	$ 705,280,975	$ 648,225,157	$ 607,008,129	$ 571,156,145

*EXCLUDES ALLOCATION OF COMMON PLANT

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600	1
PREFERRED STOCK ISSUED	-	-	-	-	-	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	68,500	68,500	68,500	68,500	68,500	5
OTHER PAID-IN CAPITAL	13,322,184	4,107,184	4,107,184	4,107,184	4,107,184	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	152,006,177	127,005,786	115,312,036	121,609,340	117,891,651	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	224,557,461	190,352,070	178,658,320	184,955,624	181,237,935	12
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	13
ADVANCES FROM ASSOCIATED COMPANIES	257,098,300	161,647,400	174,905,900	182,506,800	143,900,700	14
OTHER LONG-TERM DEBT	616,399	636,044	658,385	674,641	685,968	15
NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-	16
TOTAL LONG TERM DEBT	257,714,699	162,283,444	175,564,285	183,181,441	144,586,668	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	4,271,274	4,993,858	5,244,568	7,688,238	4,518,372	19
PAYABLES TO ASSOCIATED COMPANIES	248,092,927	278,773,254	203,510,294	155,034,954	180,540,697	20
CUSTOMER DEPOSITS	2,777,812	2,714,994	2,503,455	2,836,592	2,637,298	21
TAXES ACCRUED	10,179,765-	4,867,693-	5,130,832-	5,610,175-	15,605,067-	22
INTEREST ACCRUED	114,768	114,875	101,871	123,676	113,883	23
DIVIDENDS DECLARED	1,200,000	100,000	4,757,500	4,320,000	4,662,500	24
TAX COLLECTIONS PAYABLE	4,136,662	3,644,334	2,317,267	3,390,424	3,608,342	25
OTHER CURRENT AND ACCRUED LIABILITIES	253,508	1,768,630	4,159,503	9,539,121	30,368,737	26
TOTAL CURRENT AND ACCRUED LIABILITIES	250,667,185	287,242,252	217,463,626	177,322,830	210,844,762	27
CUSTOMER ADVANCES FOR CONSTRUCTION	478,696	808,931	766,287	587,566	523,125	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	16,934,190	17,790,865	18,473,379	18,688,901	19,748,226	30
OTHER DEFERRED CREDITS	4,861,431	4,234,802	3,087,808	2,918,776	2,816,987	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	44,102,816	39,408,788	35,938,363	30,358,955	25,146,983	33
OTHER	27,369,882	19,159,781	16,938,537	17,667,784	20,912,540	34
TOTAL DEFERRED CREDITS	93,747,015	81,403,167	75,204,374	70,221,982	69,147,861	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	189,119-	215,565-	829-	30,800-	11,697	37
PENSION AND BENEFITS RESERVE	1,253,307	864,329	515,215	210,655	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	1,064,188	648,764	514,386	179,855	11,697	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 827,760,548	$ 721,929,697	$ 647,404,991	$ 615,861,732	$ 605,828,923	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.55	0.38	0.42	0.50	0.49	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	53.4	46.0	49.5	49.7	44.3	43
PREFERRED STOCK	-	-	-	-	-	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	15.0	17.9	17.8	17.2	19.4	45
RETAINED EARNINGS	31.5	36.0	32.5	33.0	36.1	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	33.5	22.7	26.6	29.8	25.0	47
ACCUM. PROV. FOR DEPR. % OF UTILITY PLT.	21.7	21.6	21.8	21.4	21.7	48

Statement of Cash Flows
National Fuel Gas Distribution Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$28,500,391	$21,408,750
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	20,131,611	18,702,539
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(22,137,277)	6,586,365
4	Deferred Taxes & ITCs	12,086,174	4,951,485
5	Current Income Taxes & Other Taxes Payable	(4,819,745)	1,590,206
6	Interest Payable	(107)	13,004
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(313,365)	(717,970)
9	Other Adjustments	(40,121,341)	(11,487,042)
10	Total Adjustments	(35,174,050)	19,638,587
11	Net Cash From Operating Activities	(6,673,659)	41,047,337
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(60,101,925)	(62,591,064)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities	35,000	20,000
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		79,588
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(60,066,925)	(62,491,476)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	95,431,255	(13,280,841)
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt	(36,100,000)	49,425,000
27	Dividends Paid	(2,400,000)	(14,372,500)
28	Contributions & Advances - Subsidiary & Assoc. Co's.	9,215,000	
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	66,146,255	21,771,659
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(594,329)	327,520
32	Cash & Cash Equivalents At Beginning Of Year	12,416,961	61,071,781
33	Cash & Cash Equivalents At End Of Year	$11,822,632	$61,399,301

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME						
OPERATING REVENUES	$ 732,752,341	$ 687,980,425	$ 634,581,000	$ 792,837,128	$ 873,526,109	1
OPERATION AND MAINTENANCE EXPENSE	576,723,953	553,646,203	518,116,479	663,353,228	746,235,059	2
DEPRECIATION EXPENSE	19,697,829	18,284,549	15,789,971	15,703,734	14,579,555	3
AMORTIZATION	14,300	35,923	162,675	198,983	301,222	4
TAXES OTHER THAN INCOME TAXES	59,512,416	57,069,147	52,953,862	58,562,250	60,046,612	5
INCOME TAXES	2,310,531	3,792,581	1,615,015	8,566,128	7,705,511-	6
PROVISION FOR DEFERRED INCOME TAXES	39,387,223	10,397,295	6,564,228	3,344,163	19,321,378	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	26,279,339-	4,431,760-	868,320-	469,102-	1,083,769-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	671,366,913	638,793,938	595,333,910	749,259,384	831,694,547	12
NET OPERATING REVENUES	61,385,428	49,186,487	39,247,090	43,577,744	41,831,562	13
INC. - LEASED PLT. & OTHER OPER. INC	-	-	-	-	-	14
GAS OPERATING INCOME	61,385,428	49,186,487	39,247,090	43,577,744	41,831,562	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	61,385,428	49,186,487	39,247,090	43,577,744	41,831,562	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	14,757	17,079-	80,662-	82,102-	26,126-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	1,000	-	2,978	9,220	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	741,017	157,832	501,821	1,127,490	362,238	22
ALLOWANCE FOR CONSTRUCTION FUNDS	541,504	717,970	570,183	494,164	567,621	23
MISCELLANEOUS NONOPERATING INCOME	340,600	38	10	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	8,565	14,871	13,184	-	25
TOTAL OTHER INCOME	1,637,878	868,326	1,006,223	1,555,714	912,953	26
TOTAL INCOME	63,023,306	50,054,813	40,253,313	45,133,458	42,744,515	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	52,569	18,026	20,462	27,453	28,760	28
INCOME TAXES-NONOPERATING	837,070-	996,493-	914,666-	460,489-	792,185-	29
LOSS ON DISPOSITION OF PROPERTY	-	52,178	79,302	124,683	-	30
MISCELLANEOUS AMORTIZATION	15,742	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,103,560	1,123,742	1,296,635	1,296,448	988,497	32
TOTAL INCOME DEDUCTIONS	334,801	197,453	481,733	988,095	225,072	33
INCOME BEFORE INTEREST CHARGES	62,688,505	49,857,360	39,771,580	44,145,363	42,519,443	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORT. OF DEBT DISCOUNT - EXPENSE	119,427	108,774	107,806	26,952	-	36
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	33,289,354	27,413,012	23,509,130	20,298,476	18,356,228	38
OTHER INTEREST EXPENSE	779,333	926,824	1,259,949	1,637,246	3,491,891	39
TOTAL INTEREST CHARGES	34,188,114	28,448,610	24,876,885	21,962,674	21,848,119	40
INCOME BEFORE EXTRAORDINARY ITEMS	28,500,391	21,408,750	14,894,695	22,182,689	20,671,324	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 28,500,391	$ 21,408,750	$ 14,894,695	$ 22,182,689	$ 20,671,324	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 127,005,786	$ 115,312,036	$ 121,609,341	$ 117,891,651	$ 113,607,327	44
BALANCE TRANSFERRED FROM INCOME	28,500,391	21,408,750	14,894,695	22,182,689	20,671,324	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	47
-COMMON STOCK	3,500,000	9,715,000	21,192,000	18,465,000	16,387,000	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	152,006,177	127,005,786	115,312,036	121,609,340	117,891,651	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	52
TOTAL END OF YEAR	$ 152,006,177	$ 127,005,786	$ 115,312,036	$ 121,609,340	$ 117,891,651	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.8	3.1	2.3	2.7	2.3	55
PRETAX COVERAGE OF INTEREST CHARGES	1.8	2.1	1.9	2.5	2.4	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	12.2	45.3	142.2	83.2	79.2	57
RETURN ON COMMON EQUITY	13.7	11.6	8.1	12.1	11.5	58

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 514,531,182	$ 464,484,637	$ 415,044,754	$ 507,339,363	$ 524,894,973
2	COMMERCIAL AND INDUSTRIAL	196,449,549	205,912,937	205,801,396	273,358,346	338,723,913
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	710,980,731	670,397,574	620,846,150	780,697,709	863,618,886
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	710,980,731	670,397,574	620,846,150	780,697,709	863,618,886
8	OTHER GAS OPERATING REVENUES	21,771,610	17,582,851	13,734,850	12,139,419	9,907,223
9	TOTAL GAS OPERATING REVENUES	$ 732,752,341	$ 687,980,425	$ 634,581,000	$ 792,837,128	$ 873,526,109
	GAS SALES (MCF):					
10	RESIDENTIAL	88,832,734	87,660,102	81,488,411	85,867,573	83,210,656
11	COMMERCIAL AND INDUSTRIAL	40,057,609	47,466,315	49,782,519	53,932,350	62,190,538
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	128,890,343	135,126,417	131,270,930	139,799,923	145,401,194
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	128,890,343	135,126,417	131,270,930	139,799,923	145,401,194
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	659,379	654,605	649,809	651,218	648,840
18	COMMERCIAL AND INDUSTRIAL	45,341	43,852	42,656	41,906	41,106
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	704,720	698,457	692,465	693,124	689,946
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	704,720	698,457	692,465	693,124	689,946

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 780.33	$ 709.56	$ 638.72	$ 779.06	$ 808.97
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	135	134	125	132	128
26	AVERAGE REVENUE PER MCF SOLD	$ 5.79	$ 5.30	$ 5.09	$ 5.91	$ 6.31
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,332.71	$ 4,695.63	$ 4,824.68	$ 6,523.13	$ 8,240.25
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	883	1,082	1,167	1,287	1,513
29	AVERAGE REVENUE PER MCF SOLD	$ 4.90	$ 4.34	$ 4.13	$ 5.07	$ 5.45

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	619,103	569,948	351,660	417,635	714,111
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	437,135,411	422,204,073	387,954,098	540,895,006	627,619,050
35	OTHER	344,730	329,101	736,097	840,629	521,262
36	TOTAL PRODUCTION EXPENSE	438,099,244	423,103,122	389,041,855	542,153,270	628,854,423
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	1,106,453	1,154,925	920,007	672,933	782,926
41	DISTRIBUTION EXPENSES	47,486,423	44,977,163	47,798,294	45,311,854	43,581,497
42	CUSTOMER ACCOUNTS EXPENSES	36,586,503	36,160,173	33,882,719	34,500,878	32,577,347
43	SALES EXPENSES	8,909,942	8,506,581	6,776,537	6,488,081	6,027,184
44	ADMINISTRATIVE AND GENERAL EXPENSES	44,535,388	39,744,239	39,697,067	34,226,212	34,411,682
45	TOTAL O & M EXPENSES	$ 576,723,953	$ 553,646,203	$ 518,116,479	$ 663,353,228	$ 746,235,059

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 732,752,341	$ 687,980,425	$ 634,581,000	$ 792,837,128	$ 873,526,109	1
SALES (MCF)	128,890,343	135,126,417	131,270,930	139,799,923	145,401,194	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 437,480,141	$ 422,533,174	$ 388,690,195	$ 541,735,635	$ 628,140,312	3
WAGES AND BENEFITS	13,401,210	79,628,818	80,053,591	70,842,514	74,522,595	4
OTHER OPERATION AND MAINTENANCE EXPENSES	125,842,602	51,484,211	49,372,693	50,775,079	43,572,152	5
DEPR. AND AMORT. EXPENSES	19,712,129	18,320,472	16,952,646	15,902,717	14,880,777	6
INCOME TAXES - OPERATING	15,418,415	9,758,116	7,310,923	11,441,189	10,532,099	7
OTHER TAXES - OPERATING	59,512,416	57,069,147	52,953,862	58,562,250	60,046,612	8
*INTEREST CHARGES **	33,959,975	28,028,982	24,623,290	21,752,649	21,567,330	9
*PREFERRED DIVIDENDS **	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	27,425,453	21,157,505	14,623,800	21,825,095	20,264,232	11
TOTAL	$ 732,752,341	$ 687,980,425	$ 634,581,000	$ 792,837,128	$ 873,526,109	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	59.7	61.4	61.3	68.3	71.9	13
WAGES AND BENEFITS	1.8	11.6	12.6	8.9	8.5	14
OTHER OPERATION AND MAINTENANCE EXPENSES	17.2	7.5	7.8	6.4	5.0	15
DEPRECIATION AND AMORTIZATION EXPENSES	2.7	2.7	2.7	2.0	1.7	16
INCOME TAXES - OPERATING	2.1	1.4	1.2	1.4	1.2	17
OTHER TAXES - OPERATING	8.1	8.3	8.3	7.4	6.9	18
*INTEREST CHARGES **	4.6	4.1	3.9	2.7	2.5	19
*PREFERRED DIVIDENDS**	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.7	3.1	2.3	2.8	2.3	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.39	$ 3.13	$ 2.96	$ 3.88	$ 4.32	23
WAGES AND BENEFITS	0.10	0.59	0.61	0.51	0.51	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.98	0.38	0.38	0.36	0.30	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.15	0.14	0.13	0.11	0.10	26
INCOME TAXES - OPERATING	0.12	0.07	0.06	0.08	0.07	27
OTHER TAXES - OPERATING	0.46	0.42	0.40	0.42	0.41	28
*INTEREST CHARGES **	0.26	0.21	0.19	0.16	0.15	29
*PREFERRED DIVIDENDS **	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.21	0.16	0.11	0.16	0.14	31
TOTAL	$ 5.69	$ 5.09	$ 4.83	$ 5.67	$ 6.01	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

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NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 201,942,336	$ 189,579,815	$ 176,018,609	$ 164,426,275	$ 154,674,906
2	ACCUM. PROV. FOR DEPR. AND AMORT.	63,492,211	60,336,445	57,228,398	54,340,141	51,157,411
3	NET GAS UTILITY PLANT	138,450,125	129,243,370	118,790,211	110,086,134	103,517,495
4	OTHER UTILITY PLANT	4,391,028,775	4,237,113,689	4,004,010,150	4,305,958,095	3,997,970,855
5	ACCUM. PROV. FOR DEPR. AND AMORT.	1,003,321,000	898,669,085	799,968,081	716,401,559	637,128,236
6	NET OTHER UTILITY PLANT	3,387,707,775	3,338,444,604	3,204,042,069	3,589,556,536	3,360,842,619
7	TOTAL UTILITY PLANT	4,592,971,111	4,426,693,504	4,180,028,759	4,470,384,370	4,152,645,761
8	ACCUM. PROV. FOR DEPR. AND AMORT.	1,066,813,211	959,005,530	857,196,479	770,741,700	688,285,647
9	NET TOTAL UTILITY PLANT	3,526,157,900	3,467,687,974	3,322,832,280	3,699,642,670	3,464,360,114
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	4,707,343	2,974,042	2,984,506	3,158,853	3,111,851
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	4,557,068	4,746,479	5,301,846	212,000	212,000
13	OTHER INVESTMENTS	3,015,000	5,740,000	6,740,000	7,790,000	7,790,000
14	SPECIAL FUNDS	489,505	266,327	272,234	283,818	264,502
15	TOTAL OTHER PROPERTY AND INVESTMENTS	12,768,916	13,726,848	15,298,586	11,444,671	11,378,353
16	CASH	8,969,177-	112,674,514-	7,099,919-	5,997,464-	5,999,167-
17	SPECIAL DEPOSITS	6,413,780	106,848,320	3,900,786	4,822,817	13,598,507
18	WORKING FUNDS	1,843,877	1,442,519	1,300,998	1,556,894	5,020,153
19	TEMPORARY CASH INVESTMENTS	12,408,350	115,852,605	10,600,000	14,600,000	8,500,000
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	93,425,245	86,831,159	186,183,520	125,461,521	116,240,072
21	RECEIVABLES - ASSOCIATED COMPANIES	228,696	327,225	300,929	-	110,786
22	MATERIALS AND SUPPLIES	83,401,217	94,672,661	106,736,219	64,845	95,768,725
23	GAS STORED UNDERGROUND - CURRENT	593,352	491,643	589,773	92,607,357	826,126
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	751,535	-
25	PREPAYMENTS	25,017,859	21,688,370	22,537,667	27,329,912	20,189,966
26	OTHER CURRENT AND ACCRUED ASSETS	47,320,255	50,811,705	365,592	608,939	293,126
27	TOTAL CURRENT AND ACCRUED ASSETS	261,683,454	366,291,693	325,415,565	261,806,356	254,548,294
28	UNAMORTIZED DEBT EXPENSE	71,635,673	72,255,209	63,700,414	64,762,184	60,525,650
29	EXTRAORDINARY PROPERTY LOSSES	52,386,612	55,573,789	53,646,350	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	6,004,171	5,785,348	4,808,389	3,127,972	1,324,486
31	CLEARING ACCOUNTS	608,609	204,897	532,869-	127,331-	38,245-
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	190,372	1,193,344	1,112,819-	431,679	183,890-
34	ACCUM. DEFERRED INCOME TAXES	131,281,612	117,629,394	99,088,425	19,010,984	15,200,967
35	OTHER DEFERRED DEBITS	653,906,235	629,456,914	632,004,086	106,866,434	109,255,294
36	TOTAL DEFERRED DEBITS	916,013,284	882,098,895	851,601,976	194,071,922	186,084,262
37	TOTAL ASSETS AND OTHER DEBITS	$ 4,716,623,554	$ 4,729,805,410	$ 4,515,148,408	$ 4,166,965,619	$ 3,916,371,023
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 50,912	$ 50,582	$ 50,478	$ 37,908	$ 37,908
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	3,069,589	3,069,589	3,069,589	3,072,329	3,065,968
40	NATURAL GAS PLANT	1,435,995	1,435,995	1,435,995	1,435,995	1,435,995
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	8,367,441	7,188,879	5,989,133	5,870,636	5,503,157
45	DISTRIBUTION PLANT	184,027,148	172,752,601	157,863,345	148,569,173	141,476,234
46	GENERAL PLANT	2,050,919	1,657,358	1,560,606	1,752,024	1,720,059
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	199,002,004	186,155,004	169,969,146	160,738,065	153,239,321
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	23,620	23,620	23,620	23,619	23,619
53	CONSTRUCTION WORK IN PROGRESS	2,916,712	3,401,198	6,025,843	3,664,591	1,411,966
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	201,942,336	189,579,815	176,018,609	164,426,275	154,674,906
56	ACCUM. PROV. FOR DEPR. AND AMORT.	63,492,211	60,336,445	57,228,398	54,340,141	51,157,411
57	NET GAS UTILITY PLANT	138,450,125	129,243,370	118,790,211	110,086,134	103,517,495
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	186,154,997	169,969,146	160,738,065	153,239,321	145,760,959
59	ADDITIONS	14,098,678	17,338,299	10,360,514	7,944,535	7,955,806
60	RETIREMENTS	1,285,951	1,167,627	1,126,838	450,825	478,943
61	TRANSFERS AND ADJUSTMENTS	34,280	15,186	2,595-	5,034	1,499
62	END OF YEAR	$ 199,002,004	$ 186,154,997	$ 169,969,146	$ 160,738,065	$ 153,239,321

*EXCLUDES ALLOCATION OF COMMON PLANT

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 383,690,271	$ 378,003,495	$ 371,556,668	$ 360,408,069	$ 360,046,582	1
PREFERRED STOCK ISSUED	174,000,000	178,650,000	183,320,000	217,970,000	252,620,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	550,424,280	534,563,171	519,217,353	481,803,192	480,349,216	5
OTHER PAID-IN CAPITAL	29,442,626	29,442,626	29,442,626	29,317,079	29,346,985	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	6,573,939-	6,602,334-	6,596,717-	7,756,111-	8,173,925-	8
RETAINED EARNINGS	268,200,642	238,621,331	192,898,015	534,190,118	469,661,779	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	1,399,183,880	1,352,678,289	1,289,837,945	1,615,932,347	1,583,850,637	12
BONDS (LESS BONDS REACQUIRED)	1,215,652,000	1,353,251,000	1,499,509,000	1,434,912,000	1,274,480,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	546,644,577	593,295,090	552,035,165	483,194,722	481,741,631	15
NET UNAMORTIZED PREMIUM • DISCOUNT	3,444,281-	3,897,735-	3,619,874-	2,499,583-	1,615,196-	16
TOTAL LONG TERM DEBT	1,758,852,296	1,942,648,355	2,047,924,291	1,915,607,139	1,754,606,435	17
NOTES PAYABLE	121,000,000	77,400,000	16,000,000	110,600,000	118,300,000	18
ACCOUNTS PAYABLE	81,215,635	84,553,835	60,352,092	61,422,103	75,651,462	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	3,971,602	4,122,109	3,812,009	3,534,337	3,339,953	21
TAXES ACCRUED	9,074,917	11,133,415	3,232,516	14,619,413	5,045,133	22
INTEREST ACCRUED	51,472,309	61,017,361	59,403,765	54,878,027	51,949,517	23
DIVIDENDS DECLARED	3,131,253	3,321,003	3,477,228	4,516,359	6,090,191	24
TAX COLLECTIONS PAYABLE	4,296,898	3,854,491	2,655,364	3,955,316	1,909,114	25
OTHER CURRENT AND ACCRUED LIABILITIES	41,141,421	41,257,667	46,221,735	42,646,225	43,357,953	26
TOTAL CURRENT AND ACCRUED LIABILITIES	315,304,035	286,659,881	195,154,709	296,171,780	305,643,323	27
CUSTOMER ADVANCES FOR CONSTRUCTION	7,705,199	6,689,781	5,778,838	5,272,100	5,169,600	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	138,649,416	125,538,591	128,091,401	106,435,942	75,438,060	30
OTHER DEFERRED CREDITS	294,807,604	291,185,034	172,549,535	13,834,649	16,250,546	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	637,278	806,577	997,869	1,654,454	2,129,858	32
LIBERALIZED DEPRECIATION	239,537,475	197,646,662	152,355,761	151,755,947	112,908,540	33
OTHER	561,946,371	525,952,240	522,258,059	60,101,261	60,174,024	34
TOTAL DEFERRED CREDITS	1,243,283,343	1,147,818,885	982,031,463	339,054,353	272,070,628	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	-	-	200,000	200,000	200,000	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	-	-	200,000	200,000	200,000	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 4,716,623,554	$ 4,729,805,410	$ 4,515,148,408	$ 4,166,965,619	$ 3,916,371,023	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.83	1.28	1.67	0.88	0.83	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	55.6	58.9	61.3	54.2	52.5	43
PREFERRED STOCK	5.5	5.4	5.4	6.1	7.5	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	30.3	28.3	27.3	24.4	25.8	45
RETAINED EARNINGS	8.4	7.2	5.7	15.1	14.0	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	38.2	43.8	48.9	42.8	42.2	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT	23.2	21.8	20.5	17.2	16.5	48

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Statement of Cash Flows
New York State Electric & Gas Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$157,780,000	$171,467,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	169,346,000	150,608,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	37,000	79,101,000
4	Deferred Taxes & ITCs	34,740,000	47,241,000
5	Current Income Taxes & Other Taxes Payable	(2,058,000)	7,901,000
6	Interest Payable	(9,545,000)	1,614,000
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(594,000)	(10,961,000)
9	Other Adjustments	(16,000)	45,069,000
10	Total Adjustments	191,910,000	320,573,000
11	Net Cash From Operating Activities	349,690,000	492,040,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(189,010,000)	(217,261,000)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(189,010,000)	(217,261,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(187,748,000)	(112,258,000)
24	Common Stock	20,865,000	21,787,000
25	Preferred Stock	(4,650,000)	(4,670,000)
26	Short-term Debt	43,600,000	61,400,000
27	Dividends Paid	(128,388,000)	(125,900,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(4,131,000)	(12,371,000)
30	Net Cash From Financing Activities	(260,452,000)	(172,012,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(99,772,000)	102,767,000
32	Cash & Cash Equivalents At Beginning Of Year	111,469,000	8,702,000
33	Cash & Cash Equivalents At End Of Year	$11,697,000	$111,469,000

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS

ITEM	1989	1988	1987	1986	1985	LINE NO.
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 161,077,476	$ 148,363,032	$ 152,838,795	$ 179,194,452	$ 190,201,164	1
OPERATION AND MAINTENANCE EXPENSE	133,293,281	112,584,031	121,869,909	138,452,201	155,757,588	2
DEPRECIATION EXPENSE	4,940,561	4,485,234	4,165,711	3,874,568	3,815,593	3
AMORTIZATION	1,667	34,003	111,764	117,747	106,564	4
TAXES OTHER THAN INCOME TAXES	15,726,862	15,065,233	15,929,675	15,947,641	15,606,273	5
INCOME TAXES	1,751,324	1,151,886	1,359,628	547,779	66,918	6
PROVISION FOR DEFERRED INCOME TAXES	721,224	2,465,996	29,209-	1,820,472	1,739,634	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	2,549,551-	1,930,058-	3,893,019-	1,032,600-	1,215,437	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	153,885,368	133,856,325	139,514,459	159,727,808	178,308,008	12
NET OPERATING REVENUES	7,192,108	14,506,707	13,324,336	19,466,644	11,893,156	13
INC. - LEASED PLT. & OTHER OPER. INC	-	-	-	-	-	14
GAS OPERATING INCOME	7,192,108	14,506,707	13,324,336	19,466,644	11,893,156	15
OTHER UTILITY OPERATING INCOME	305,544,790	313,013,196	266,852,439	264,021,394	235,107,103	16
TOTAL UTILITY OPERATING INCOME	312,736,898	327,519,903	280,176,775	283,488,038	247,000,259	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	65,589-	16,794	4,851-	12,724-	20,351-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	800,112	1,529,858	1,726,584	386,567	652,603	22
ALLOWANCE FOR CONSTRUCTION FUNDS	5,855,445	23,608,568	89,244,506	111,871,903	122,719,138	23
MISCELLANEOUS NONOPERATING INCOME	4,762,557	580,471	2,001,920-	2,392,258-	731,889-	24
GAIN ON DISPOSITION OF PROPERTY	503,499	67,127	207,932	502,710	105,201	25
TOTAL OTHER INCOME	11,856,034	25,802,818	89,172,251	110,356,198	122,724,702	26
TOTAL INCOME	324,592,932	353,322,721	369,349,026	393,844,236	369,724,961	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	171,634	149,546	134,534	128,978	130,728	28
INCOME TAXES-NONOPERATING	4,875,529-	10,048,593-	14,822,178-	32,361,687-	25,596,203-	29
LOSS ON DISPOSITION OF PROPERTY	-	440	853	19,793	73,717	30
MISCELLANEOUS AMORTIZATION	41,160-	227,654	111,714	5,838	1,541	31
MISCELLANEOUS INCOME DEDUCTIONS	676,691	747,590	32,284,098	1,695,584	165,762-	32
TOTAL INCOME DEDUCTIONS -	4,068,364-	8,923,363-	17,709,021	30,511,494-	25,555,979-	33
INCOME BEFORE INTEREST CHARGES	328,661,286	362,246,084	351,640,005	424,355,730	395,280,940	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	161,168,022	184,442,823	192,297,960	183,841,960	174,584,406	35
AMORT. OF DEBT DISCOUNT + EXPENSE	5,282,417	4,639,312	4,233,677	4,044,126	2,811,458	36
AMORT. OF PREMIUM ON DEBT-CREDIT	44,339-	44,747-	51,497-	55,998-	61,598-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	10,256,567	7,831,428	2,875,109	8,031,965	9,513,509	39
TOTAL INTEREST CHARGES	176,662,667	196,868,816	199,355,249	195,862,053	186,847,775	40
INCOME BEFORE EXTRAORDINARY ITEMS	151,998,619	165,377,268	152,284,756	228,493,677	208,433,165	41
EXTRAORDINARY ITEMS - NET	5,781,078	6,090,220	330,022,139-	-	-	42
NET INCOME	$ 157,779,697	$ 171,467,488	$ 177,737,383-	$ 228,493,677	$ 208,433,165	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 238,321,331	$ 192,898,015	$ 534,190,118	$ 469,661,779	$ 418,472,383	44
BALANCE TRANSFERRED FROM INCOME	157,779,697	171,467,488	177,737,383-	228,493,677	208,433,165	45
APPROPRIATIONS	130,857	300,000	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	12,975,383	13,492,708	13,661,783	20,103,911	25,225,720	47
-COMMON STOCK	115,225,003	112,251,464	145,794,183	140,432,734	132,018,049	48
ADJUSTMENTS	-	-	4,098,754-	3,428,693-	-	49
BALANCE END OF YEAR	267,769,785	238,321,331	192,898,015	534,190,118	469,661,779	50
APPROPRIATED RETAINED EARNINGS	430,857	300,000	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	52
TOTAL END OF YEAR	$ 268,200,642	$ 238,621,331	$ 192,898,015	$ 534,190,118	$ 469,661,779	53

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985	LINE NO.
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	11.2	11.0	11.8	14.0	15.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	11.0	12.7	13.6-	17.8	16.7	55
PRETAX COVERAGE OF INTEREST CHARGES	2.2	5.9	2.2	2.6	2.4	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	79.5	71.0	-	67.3	72.0	57
RETURN ON COMMON EQUITY	12.0	13.8	-	15.2	14.2	58

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 93,873,409	$ 83,114,895	$ 85,242,298	$ 91,067,812	$ 88,676,514
2	COMMERCIAL AND INDUSTRIAL	49,204,241	48,246,900	51,416,849	67,133,042	80,684,256
3	OTHER SALES TO PUBLIC AUTHORITIES	10,609,290	10,566,830	12,413,111	17,578,596	18,610,523
4	INTERDEPARTMENTAL	137,751	131,619	164,238	190,117	178,717
5	TOTAL REVENUES - ULTIMATE CONSUMERS	153,824,691	142,060,244	149,236,496	175,969,567	188,150,010
6	RESALE	28,576	39,920	41,969	14,076	19,822
7	TOTAL REVENUES FROM SALES OF GAS	153,853,267	142,100,164	149,278,465	175,983,643	188,169,832
8	OTHER GAS OPERATING REVENUES	7,224,209	6,262,868	3,560,330	3,210,809	2,031,332
9	TOTAL GAS OPERATING REVENUES	$ 161,077,476	$ 148,363,032	$ 152,838,795	$ 179,194,452	$ 190,201,164
	GAS SALES (MCF):					
10	RESIDENTIAL	14,933,172	14,426,250	13,536,963	13,777,646	13,310,660
11	COMMERCIAL AND INDUSTRIAL	8,734,149	9,912,521	9,583,146	12,162,989	14,803,937
12	OTHER SALES TO PUBLIC AUTHORITIES	1,920,865	2,149,684	2,396,350	3,248,897	3,418,478
13	INTERDEPARTMENTAL	22,484	25,816	29,457	33,165	31,224
14	TOTAL SALES TO ULTIMATE CONSUMERS	25,610,670	26,514,271	25,545,916	29,222,697	31,564,299
15	RESALE	5,249	7,910	7,596	2,478	3,506
16	TOTAL GAS SALES	25,615,919	26,522,181	25,553,512	29,225,175	31,567,805
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	121,303	118,147	115,449	113,394	112,262
18	COMMERCIAL AND INDUSTRIAL	18,290	18,095	17,990	17,932	17,760
19	OTHER SALES TO PUBLIC AUTHORITIES	1,144	1,153	1,184	1,172	1,159
20	INTERDEPARTMENTAL	-	1	1	-	-
21	TOTAL ULTIMATE CONSUMERS	140,737	137,396	134,624	132,498	131,181
22	RESALE	1	1	1	1	1
23	TOTAL CUSTOMERS	140,738	137,397	134,625	132,499	131,182

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 773.88	$ 703.49	$ 738.35	$ 803.11	$ 789.91
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	123	122	117	122	119
26	AVERAGE REVENUE PER MCF SOLD	$ 6.29	$ 5.76	$ 6.30	$ 6.61	$ 6.66
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 2,690.23	$ 2,666.31	$ 2,858.08	$ 3,743.76	$ 4,543.03
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	478	548	533	678	834
29	AVERAGE REVENUE PER MCF SOLD	$ 5.63	$ 4.87	$ 5.37	$ 5.52	$ 5.45

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	98,642	101,880	94,480	97,705	148,268
	NATURAL GAS					
32	PRODUCTION AND GATHERING	4,587-	6,392	10,709	13,204	13,359
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	101,699,736	82,723,447	90,811,912	111,071,994	129,730,874
35	OTHER	220,464	323,576	452,025	355,309	376,145
36	TOTAL PRODUCTION EXPENSE	102,014,255	83,155,295	91,369,126	111,538,212	130,268,646
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	540,102	555,127	514,030	504,904	389,282
41	DISTRIBUTION EXPENSES	12,707,138	11,157,205	11,055,870	10,507,779	9,835,610
42	CUSTOMER ACCOUNTS EXPENSES	5,496,148	4,614,628	4,664,020	4,094,247	3,983,007
43	SALES EXPENSES	3,974,330	3,354,337	2,376,333	2,230,065	1,781,534
44	ADMINISTRATIVE AND GENERAL EXPENSES	8,561,308	9,747,439	11,890,530	9,576,994	9,499,509
45	TOTAL O & M EXPENSES	$ 133,293,281	$ 112,584,031	$ 121,869,909	$ 138,452,201	$ 155,757,588

NEW YORK STATE ELECTRIC & GAS CORPORATION
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 161,077,476	$ 148,363,032	$ 152,838,795	$ 179,194,452	$ 190,201,164	1
SALES (MCF)	25,615,919	26,522,181	25,553,512	29,225,175	31,567,805	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 101,920,200	$ 83,047,023	$ 91,263,937	$ 111,427,303	$ 130,107,019	3
WAGES AND BENEFITS	17,844,961	18,274,354	18,774,333	3,704,288	16,139,681	4
OTHER OPERATION AND MAINTENANCE EXPENSES	13,528,120	11,262,654	11,831,639	23,320,610	9,510,888	5
DEPRECIATION AND AMORTIZATION EXPENSES	4,942,228	4,519,237	4,277,475	3,992,315	3,922,157	6
INCOME TAXES - OPERATING	77,003-	1,687,824	2,562,600-	1,335,651	3,021,989	7
OTHER TAXES - OPERATING	15,726,862	15,065,233	15,929,675	15,947,641	15,606,273	8
*INTEREST CHARGES **	5,432,776	6,352,590	5,516,288	5,602,482	5,570,634	9
*PREFERRED DIVIDENDS **	528,214	792,884	494,647	749,303	763,244	10
EARNINGS AVAILABLE FOR COMMON EQUITY	1,231,118	7,361,233	7,313,401	13,114,859	5,559,278	11
TOTAL	$ 161,077,476	$ 148,363,032	$ 152,838,795	$ 179,194,452	$ 190,201,164	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	63.3	56.0	59.7	62.2	68.4	13
WAGES AND BENEFITS	11.1	12.3	12.3	2.1	8.5	14
OTHER OPERATION AND MAINTENANCE EXPENSES	8.4	7.6	7.7	13.0	5.0	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.1	3.0	2.8	2.2	2.1	16
INCOME TAXES - OPERATING	-	1.1	1.6-	0.7	1.6	17
OTHER TAXES - OPERATING	9.8	10.2	10.4	8.9	8.2	18
*INTEREST CHARGES **	3.4	4.3	3.6	3.1	2.9	19
*PREFERRED DIVIDENDS **	0.3	0.5	0.3	0.4	0.4	20
EARNINGS AVAILABLE FOR COMMON EQUITY	0.8	5.0	4.8	7.3	2.9	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.98	$ 3.13	$ 3.57	$ 3.81	$ 4.12	23
WAGES AND BENEFITS	0.70	0.69	0.73	0.13	0.51	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.53	0.42	0.46	0.80	0.30	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.19	0.17	0.17	0.14	0.12	26
INCOME TAXES - OPERATING	-	0.06	0.09-	0.05	0.10	27
OTHER TAXES - OPERATING	0.61	0.57	0.62	0.55	0.49	28
*INTEREST CHARGES **	0.21	0.24	0.22	0.19	0.18	29
*PREFERRED DIVIDENDS **	0.02	0.03	0.02	0.03	0.02	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.05	0.28	0.29	0.45	0.18	31
TOTAL	$ 6.29	$ 5.59	$ 5.98	$ 5.13	$ 6.03	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	4.08	3.85	3.66	3.02	3.04	33

** NET OF AFC.

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 682,866,684	$ 636,539,877	$ 591,884,845	$ 558,531,495	$ 526,649,575
2	ACCUM. PROV. FOR DEPR. AND AMORT	182,284,996	171,240,325	160,202,388	148,854,486	138,753,482
3	NET GAS UTILITY PLANT	500,581,688	465,299,552	431,682,457	409,677,009	387,896,093
4	OTHER UTILITY PLANT	7,585,235,500	7,264,107,719	7,026,005,591	7,850,880,682	7,079,682,911
5	ACCUM. PROV. FOR DEPR. AND AMORT	2,085,036,863	1,904,211,637	1,740,695,059	1,601,907,129	1,478,894,419
6	NET OTHER UTILITY PLANT	5,500,198,637	5,359,896,082	5,285,310,532	6,248,973,553	5,600,788,492
7	TOTAL UTILITY PLANT	8,268,102,184	7,900,647,596	7,617,890,436	8,409,412,177	7,606,332,486
8	ACCUM. PROV. FOR DEPR. AND AMORT	2,267,321,859	2,075,451,962	1,900,897,447	1,750,761,615	1,617,647,901
9	NET TOTAL UTILITY PLANT	6,000,780,325	5,825,195,634	5,716,992,989	6,658,650,562	5,988,684,585
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT	18,742,551	17,985,204	18,686,674	17,730,161	18,643,249
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	190,564,966	160,720,705	148,296,567	70,203,915	75,604,561
13	OTHER INVESTMENTS	123,143	4,029,600	4,029,602	3,989,400	232,262,189
14	SPECIAL FUNDS	260,671	-	-	2,238,336	79,916,312
15	TOTAL OTHER PROPERTY AND INVESTMENTS	209,691,331	182,735,509	171,012,843	94,161,812	406,426,311
16	CASH	12,481,484	7,987,548	14,017,958	88,708,497	16,702,160
17	SPECIAL DEPOSITS	136,178	147,428	364,828	485,682	151,619
18	WORKING FUNDS	746,858	1,713,125-	227,389	3,158,510	23,686,821
19	TEMPORARY CASH INVESTMENTS	26,475,503	11,335,147	8,798,125	78,388,800	246,817
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	187,046,915	212,343,226	293,614,773	281,495,348	279,612,609
21	RECEIVABLES - ASSOCIATED COMPANIES	2,054,640	1,153,064	459,773	6,950,469	329,730
22	MATERIALS AND SUPPLIES	182,050,931	123,887,730	118,836,510	116,037,376	129,453,709
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	154,498,536	63,188,793	47,597,597	17,174,875	16,958,242
26	OTHER CURRENT AND ACCRUED ASSETS	142,351,461	135,938,308	10,347,052	5,265,743	7,187,325
27	TOTAL CURRENT AND ACCRUED ASSETS	707,842,506	554,268,119	494,264,005	597,665,300	474,329,032
28	UNAMORTIZED DEBT EXPENSE	121,515,260	128,334,999	124,672,241	100,533,627	64,041,780
29	EXTRAORDINARY PROPERTY LOSSES	9,588,785	9,677,440	9,554,656	953,754-	1,708,789
30	PREL. SURVEY & INVESTIGATION CHARGES	8,598,914	8,484,915	9,262,390	-	-
31	CLEARING ACCOUNTS	29,546	43,510	36,039	24,337	24,976
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	95,167	475,833	856,500	-	-
33	RESEARCH AND DEVELOPEMENT	10,397,283-	7,454,902-	4,421,763-	2,288,729	1,361,617-
34	ACCUM. DEFERRED INCOME TAXES	119,857,000	103,327,000	66,000,000	31,610,000	15,674,000
35	OTHER DEFERRED DEBITS	447,198,468	342,929,343	263,246,478	145,409,421	81,169,236
36	TOTAL DEFERRED DEBITS	696,485,857	585,818,138	469,206,541	278,912,360	161,257,164
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,614,800,019	$ 7,148,017,400	$ 6,851,476,378	$ 7,629,390,034	$ 7,030,697,092
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	-	-	-	-	-
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	1,840,427	1,834,081	1,853,236	2,022,040	2,137,158
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	643,130,855	604,861,692	570,531,344	537,995,951	511,546,650
46	GENERAL PLANT	5,203,839	4,975,042	4,815,983	4,428,634	4,311,445
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	650,175,121	611,670,815	577,200,563	544,446,625	517,995,253
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	32,691,563	24,869,062	14,684,282	14,084,870	8,654,322
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	682,866,684	636,539,877	591,884,845	558,531,495	526,649,575
56	ACCUM. PROV. FOR DEPR. AND AMORT	182,284,996	171,240,325	160,202,388	148,854,486	138,753,482
57	NET GAS UTILITY PLANT	500,581,688	465,299,552	431,682,457	409,677,009	387,896,093
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	611,670,815	577,200,563	544,446,625	517,995,253	494,628,113
59	ADDITIONS	42,068,909	37,435,986	34,902,170	28,892,504	27,321,915
60	RETIREMENTS	3,564,603	2,965,734	2,132,282	2,441,132	3,955,479
61	TRANSFERS AND ADJUSTMENTS	-	-	15,950-	-	704
62	END OF YEAR	$ 650,175,121	$ 611,670,815	$ 577,200,563	$ 544,446,625	$ 517,995,253

*EXCLUDES ALLOCATION OF COMMON PLANT

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1985	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 136,099,654	$ 135,633,096	$ 128,953,424	$ 127,140,994	$ 126,928,340	1
PREFERRED STOCK ISSUED	575,510,075	603,490,050	660,470,025	697,850,000	682,900,000	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	1,326,878,584	1,321,503,454	1,237,501,048	1,214,854,083	1,210,463,925	5
OTHER PAID-IN CAPITAL	334,222,230	334,222,230	334,222,230	334,222,230	334,222,230	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	15,825,390-	15,963,392-	16,569,500-	16,517,769-	14,447,457-	8
RETAINED EARNINGS	25,431,778	18,362,340	25,264,179	864,924,625	791,934,619	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	103,714,059	86,806,112	78,475,170	56,925,932	50,180,588	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	2,486,030,990	2,484,053,890	2,448,316,576	3,279,400,095	3,182,182,245	12
BONDS (LESS BONDS REACQUIRED)	2,386,191,000	2,135,943,000	2,073,136,000	2,246,141,000	2,129,751,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	1,010,438,011	959,350,561	896,842,853	637,855,304	570,127,872	15
NET UNAMORTIZED PREMIUM + DISCOUNT	1,027,212-	893,246	293,866	67,143-	1,548,166	16
TOTAL LONG TERM DEBT	3,395,601,799	3,094,400,315	2,970,272,719	2,883,929,161	2,701,427,038	17
NOTES PAYABLE	50,445,000	108,000,000	50,005,000	100,012,500	5,000,000	18
ACCOUNTS PAYABLE	308,397,261	233,180,037	174,662,177	159,532,569	214,804,855	19
PAYABLES TO ASSOCIATED COMPANIES	254,992	1,279,619	2,152,358	2,392,257	2,458,434	20
CUSTOMER DEPOSITS	9,952,035	9,882,334	9,588,132	8,559,771	7,740,695	21
TAXES ACCRUED	8,035,530	11,632,387	15,194,374	7,144,051	6,257,947	22
INTEREST ACCRUED	81,515,197	71,827,825	70,399,429	68,742,853	76,276,750	23
DIVIDENDS DECLARED	-	90	-	-	-	24
TAX COLLECTIONS PAYABLE	7,404,916	6,440,232	9,768,927	5,946,244	6,112,126	25
OTHER CURRENT AND ACCRUED LIABILITIES	83,979,991	130,839,020	280,246,376	253,980,186	176,232,371	26
TOTAL CURRENT AND ACCRUED LIABILITIES	549,984,922	573,081,544	612,016,773	606,310,431	494,883,178	27
CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	240,430,000	249,546,000	252,453,000	267,450,000	219,198,000	30
OTHER DEFERRED CREDITS	433,008,308	343,674,258	284,811,917	182,936,347	120,976,631	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	1,164,000	1,548,000	2,502,000	3,695,000	4,943,000	32
LIBERALIZED DEPRECIATION	351,453,000	272,053,000	160,099,000	275,052,000	221,263,000	33
OTHER	157,127,000	129,660,393	121,004,393	130,617,000	85,824,000	34
TOTAL DEFERRED CREDITS	1,183,182,308	996,481,651	820,870,310	859,750,347	652,204,631	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	-	-	-	-	-	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	-	-	-	-	-	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 7,614,800,019	$ 7,148,017,400	$ 6,851,476,378	$ 7,629,390,034	$ 7,030,697,092	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.29	0.97	0.81	0.99	0.96	42
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	57.7	55.4	54.8	46.7	45.9	43
PREFERRED STOCK	9.7	10.8	12.1	11.3	11.6	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	32.0	33.3	32.5	27.8	29.0	45
RETAINED EARNINGS	0.4	0.3	0.4	14.0	13.4	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.0	39.1	38.9	34.2	35.5	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT.	27.4	26.2	24.9	20.8	21.2	48

Statement of Cash Flows
Niagara Mohawk Power Corporation
For The Year Ended December 31

		1989	1988
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	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$150,783,000	$208,814,000
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	230,741,000	197,763,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	47,820,000	122,748,000
4	Deferred Taxes & ITCs	80,836,000	82,329,000
5	Current Income Taxes & Other Taxes Payable	(2,632,000)	(6,891,000)
6	Interest Payable	9,687,000	1,428,000
7	Equity In Loss (Earnings) Of Affiliates	(16,908,000)	(8,331,000)
8	Capitalized AFDUC - Equity Funds	(10,085,000)	(5,149,000)
9	Other Adjustments	(106,972,000)	(157,857,000)
10	Total Adjustments	232,487,000	226,040,000
11	Net Cash From Operating Activities	383,270,000	434,854,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(398,839,000)	(293,153,000)
13	Acquisition Of Other Non-current Assets	2,888,000	(13,113,000)
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(12,936,000)	(4,093,000)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	743,000	1,905,000
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		(171,100,000)
22	Net Cash From Investing Activities	(408,144,000)	(479,554,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	301,348,000	125,314,000
24	Common Stock	5,841,000	90,682,000
25	Preferred Stock	(27,980,000)	(56,980,000)
26	Short-term Debt	(57,555,000)	57,995,000
27	Dividends Paid	(126,805,000)	(207,385,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(47,881,000)	29,640,000
30	Net Cash From Financing Activities	46,968,000	39,266,000
31	Net Incr./(Decr.) In Cash & Cash Equivalents	22,094,000	(5,434,000)
32	Cash & Cash Equivalents At Beginning Of Year	17,610,000	23,043,000
33	Cash & Cash Equivalents At End Of Year	$39,704,000	$17,609,000

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 487,380,783	$ 456,721,047	$ 453,238,996	$ 528,486,345	$ 598,536,409	1
OPERATION AND MAINTENANCE EXPENSE	372,634,647	345,367,815	346,064,799	409,142,470	479,835,448	2
DEPRECIATION EXPENSE	15,500,992	14,572,730	13,829,084	13,376,464	12,728,226	3
AMORTIZATION	3,521	69,792	294,158	271,374	269,260	4
TAXES OTHER THAN INCOME TAXES	48,404,891	48,499,709	49,300,942	50,148,791	50,603,748	5
INCOME TAXES	5,989,000	13,159,354	14,762,000	3,509,000-	4,818,724	6
PROVISION FOR DEFERRED INCOME TAXES	15,523,000	10,640,000	10,833,000	20,798,000	14,359,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	13,380,000-	14,305,000-	14,654,000-	10,253,000-	7,799,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	444,676,051	418,004,400	420,429,983	479,975,099	554,815,406	12
NET OPERATING REVENUES	42,704,732	38,716,647	32,809,013	48,511,246	43,721,003	13
INC. - LEASED PLT. & OTHER OPER. INC	-	-	-	-	-	14
GAS OPERATING INCOME	42,704,732	38,716,647	32,809,013	48,511,246	43,721,003	15
OTHER UTILITY OPERATING INCOME	376,291,679	478,614,022	446,750,349	387,601,040	361,070,941	16
TOTAL UTILITY OPERATING INCOME	418,996,411	517,330,669	479,559,362	436,112,286	404,791,944	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	304,627	290,825	315,053	232,362	35,537-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	16,907,947	8,330,943	21,822,343	7,467,736	11,580,528	21
INTEREST AND DIVIDEND INCOME	2,882,825	5,311,691	7,324,995	31,089,611	44,660,643	22
ALLOWANCE FOR CONSTRUCTION FUNDS	19,376,467	11,021,588	30,878,044	165,792,933	187,316,403	23
MISCELLANEOUS NONOPERATING INCOME	11,451,013	5,242,160	4,992,874	3,132,929	2,794,120	24
GAIN ON DISPOSITION OF PROPERTY	388,715	393,710	511,317	388,649	861,265	25
TOTAL OTHER INCOME	51,311,594	30,590,917	65,844,626	208,104,220	247,177,422	26
TOTAL INCOME	470,308,005	547,921,586	545,403,988	644,216,506	651,969,366	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	849,960	138,266-	893,451	2,567,698	1,201,739	28
INCOME TAXES-NONOPERATING	14,770,000-	13,587,000-	17,622,000-	32,293,000-	26,454,447-	29
LOSS ON DISPOSITION OF PROPERTY	8,047-	64,703	226,753	206,615	126,276	30
MISCELLANEOUS AMORTIZATION	1,166,496	1,153,631	1,252,574	693,953	427,091	31
MISCELLANEOUS INCOME DEDUCTIONS	26,585,605	79,396,303	15,886,151	3,914,752-	2,035,414-	32
TOTAL INCOME DEDUCTIONS	13,824,014	66,889,371	636,929	32,739,486-	26,734,755-	33
INCOME BEFORE INTEREST CHARGES	456,483,991	481,032,215	544,767,059	676,955,992	678,704,121	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	282,698,795	252,523,430	253,346,588	259,021,784	256,834,343	35
AMORT. OF DEBT DISCOUNT + EXPENSE	13,955,105	12,773,839	11,580,289	5,783,881	4,312,187	36
AMORT. OF PREMIUM ON DEBT-CREDIT	304,204-	313,475-	336,087-	345,493-	354,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,351,919	7,234,598	4,389,928	14,630,907	6,482,230	39
TOTAL INTEREST CHARGES	305,701,615	272,218,392	268,980,718	279,091,079	267,274,087	40
INCOME BEFORE EXTRAORDINARY ITEMS	150,782,376	208,813,823	275,786,341	397,864,913	411,430,034	41
EXTRAORDINARY ITEMS - NET	-	-	833,000,000-	-	-	42
NET INCOME	$ 150,782,376	$ 208,813,823	$ 557,213,659-	$ 397,864,913	$ 411,430,034	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 17,501,370	$ 24,565,946	$ 864,226,392	$ 791,236,386	$ 701,526,370	44
BALANCE TRANSFERRED FROM INCOME	133,874,429	200,482,881	578,762,897-	391,119,569	401,486,524	45
APPROPRIATIONS	31,069,296	162,737	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	45,182,486	49,156,718	52,017,216	53,817,506	59,559,323	47
-COMMON STOCK	81,622,505	158,228,002	208,880,333	264,312,057	252,217,185	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	6,498,488-	17,501,370	24,565,946	864,226,392	791,236,386	50
APPROPRIATED RETAINED EARNINGS	31,930,266	860,970	698,233	698,233	698,233	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	103,714,059	86,806,112	78,475,170	56,925,932	50,180,588	52
TOTAL END OF YEAR	$ 129,145,837	$ 105,168,452	$ 103,739,349	$ 921,850,557	$ 842,115,207	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	16.8	16.3	17.4	20.0	22.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	5.2	7.4	21.3-	15.0	15.3	55
PRETAX COVERAGE OF INTEREST CHARGES	1.8	2.2	2.7	3.1	3.1	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	77.2	99.1	-	76.8	71.6	57
RETURN ON COMMON EQUITY	5.5	8.7	-	13.5	14.9	58

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 317,531,940	$ 289,025,727	$ 280,091,753	$ 296,853,592	$ 295,060,661
2	COMMERCIAL AND INDUSTRIAL	138,220,498	138,913,111	150,877,989	211,283,239	281,196,549
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	455,752,438	427,938,838	430,969,742	508,136,831	576,257,210
6	RESALE	9,271,723	9,386,036	8,802,332	14,299,555	18,691,096
7	TOTAL REVENUES FROM SALES OF GAS	465,024,161	437,324,874	439,772,074	522,436,386	594,948,306
8	OTHER GAS OPERATING REVENUES	22,356,622	19,396,173	13,466,922	6,049,959	3,588,103
9	TOTAL GAS OPERATING REVENUES	$ 487,380,783	$ 456,721,047	$ 453,238,996	$ 528,486,345	$ 598,536,409
	GAS SALES (MCF):					
10	RESIDENTIAL	51,451,926	49,674,876	46,745,876	48,083,495	46,039,707
11	COMMERCIAL AND INDUSTRIAL	25,062,518	27,456,033	29,923,769	41,627,922	54,687,260
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	76,514,444	77,130,909	76,669,645	89,711,417	100,726,967
15	RESALE	1,965,408	2,098,983	2,435,470	3,622,488	4,740,301
16	TOTAL GAS SALES	78,479,852	79,229,892	79,105,115	93,333,905	105,467,268
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	424,494	417,359	411,566	407,547	404,116
18	COMMERCIAL AND INDUSTRIAL	36,206	35,341	34,369	33,713	33,088
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	460,700	452,700	445,935	441,260	437,204
22	RESALE	2	2	2	2	2
23	TOTAL CUSTOMERS	460,702	452,702	445,937	441,262	437,206

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 748.02	$ 692.51	$ 680.55	$ 728.39	$ 730.14
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	121	119	114	118	114
26	AVERAGE REVENUE PER MCF SOLD	$ 6.17	$ 5.82	$ 5.99	$ 6.17	$ 6.41
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,817.61	$ 3,930.65	$ 4,389.94	$ 6,267.11	$ 8,498.45
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	692	777	871	1,235	1,653
29	AVERAGE REVENUE PER MCF SOLD	$ 5.52	$ 5.06	$ 5.04	$ 5.08	$ 5.14

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	390	2,904	28,044	10,849	12,101
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	288,733,793	265,033,113	268,099,000	338,633,937	411,801,291
35	OTHER	-	5,626	5,592	5,353	1,888
36	TOTAL PRODUCTION EXPENSE	288,734,189	265,041,643	268,132,636	338,650,139	411,815,280
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	30,058,643	29,061,941	27,175,862	26,113,712	25,745,986
42	CUSTOMER ACCOUNTS EXPENSES	16,158,965	14,609,496	13,762,705	13,496,252	11,957,135
43	SALES EXPENSES	2,759,140	2,032,024	1,859,628	1,865,790	1,810,817
44	ADMINISTRATIVE AND GENERAL EXPENSES	34,923,710	34,622,711	35,133,968	29,016,577	28,506,230
45	TOTAL O & M EXPENSES	$ 372,634,647	$ 345,367,815	$ 346,064,799	$ 409,142,470	$ 479,835,448

NIAGARA MOHAWK POWER CORPORATION
DISTRIBUTION OF GAS REVENUES —
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 487,380,783	$ 456,721,047	$ 453,238,996	$ 528,486,345	$ 598,536,409	1
SALES (MCF)	78,479,852	79,229,892	79,105,115	93,333,905	105,467,268	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 288,733,799	$ 265,038,739	$ 268,104,592	$ 338,639,290	$ 411,803,179	3
WAGES AND BENEFITS	52,903,912	49,797,583	50,045,932	49,504,926	46,816,632	4
OTHER OPERATION AND MAINTENANCE EXPENSES	30,996,936	30,531,493	27,914,275	20,998,254	21,215,637	5
DEPRECIATION AND AMORTIZATION EXPENSES	15,504,513	14,642,522	14,123,242	13,647,838	12,997,486	6
INCOME TAXES - OPERATING	8,132,000	9,494,354	10,941,000	7,036,000	11,378,724	7
OTHER TAXES - OPERATING	48,404,891	48,499,709	49,300,942	50,148,791	50,603,748	8
*INTEREST CHARGES **	25,677,108	18,652,982	18,685,321	19,456,463	21,319,337	9
*PREFERRED DIVIDENDS **	4,463,791	3,916,017	3,987,689	3,339,436	3,890,288	10
EARNINGS AVAILABLE FOR COMMON EQUITY	12,563,833	16,147,648	10,136,003	25,715,347	18,511,378	11
TOTAL	$ 487,380,783	$ 456,721,047	$ 453,238,996	$ 528,486,345	$ 598,536,409	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	59.2	58.0	59.2	64.1	68.8	13
WAGES AND BENEFITS	10.9	10.9	11.0	9.4	7.8	14
OTHER OPERATION AND MAINTENANCE EXPENSES	6.4	6.7	6.2	4.0	3.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.2	3.2	3.1	2.6	2.2	16
INCOME TAXES - OPERATING	1.7	2.1	2.4	1.3	1.9	17
OTHER TAXES - OPERATING	9.9	10.6	10.9	9.5	8.5	18
*INTEREST CHARGES **	5.3	4.1	4.1	3.7	3.6	19
*PREFERRED DIVIDENDS **	0.9	0.9	0.9	0.6	0.6	20
EARNINGS AVAILABLE FOR COMMON EQUITY	2.6	3.5	2.2	4.9	3.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.68	$ 3.35	$ 3.39	$ 3.63	$ 3.90	23
WAGES AND BENEFITS	0.67	0.63	0.63	0.53	0.44	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.39	0.39	0.35	0.22	0.20	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.18	0.18	0.15	0.12	26
INCOME TAXES - OPERATING	0.10	0.12	0.14	0.08	0.11	27
OTHER TAXES - OPERATING	0.62	0.61	0.62	0.54	0.48	28
*INTEREST CHARGES **	0.33	0.24	0.24	0.21	0.20	29
*PREFERRED DIVIDENDS **	0.06	0.05	0.05	0.04	0.04	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.16	0.20	0.13	0.28	0.18	31
TOTAL	$ 6.21	$ 5.76	$ 5.73	$ 5.66	$ 5.68	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	8.53	8.15	7.71	6.26	6.58	33

** NET OF AFC.

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 146,696,348	$ 139,009,498	$ 130,178,302	$ 122,639,114	$ 114,489,418
2	ACCUM. PROV. FOR DEPR. AND AMORT	52,611,555	49,591,461	46,110,605	42,028,219	36,644,293
3	NET GAS UTILITY PLANT	94,084,793	89,418,037	84,067,697	80,610,895	77,845,125
4	OTHER UTILITY PLANT	751,385,249	722,576,364	694,608,212	619,798,608	543,241,354
5	ACCUM. PROV. FOR DEPR. AND AMORT	212,384,418	200,119,266	188,104,680	176,464,327	168,472,201
6	NET OTHER UTILITY PLANT	539,000,831	522,457,098	506,503,532	443,334,281	374,769,153
7	TOTAL UTILITY PLANT	898,081,597	861,585,862	824,786,514	742,437,722	657,730,772
8	ACCUM. PROV. FOR DEPR. AND AMORT	264,995,973	249,710,727	234,215,285	218,492,546	205,116,494
9	NET TOTAL UTILITY PLANT	633,085,624	611,875,135	590,571,229	523,945,176	452,614,278
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	94,374	129,957	106,818	72,733	83,506
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	77,797,391	70,231,172	69,081,866	66,140,629	61,225,798
13	OTHER INVESTMENTS	54,477	217,043	1	1	1
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	77,946,242	70,578,172	69,188,685	66,213,363	61,309,305
16	CASH	4,034,469	2,210,672	1,661,693	7,920,155	4,823,254
17	SPECIAL DEPOSITS	5,700	1,200	735,072	666,622	568,228
18	WORKING FUNDS	65,256	37,422	90,649	205,936	104,852
19	TEMPORARY CASH INVESTMENTS	-	-	552,000	-	-
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	46,098,253	38,848,907	28,500,531	30,773,098	34,982,563
21	RECEIVABLES - ASSOCIATED COMPANIES	12,519,265	11,133,096	13,584,297	8,965,971	7,764,500
22	MATERIALS AND SUPPLIES	16,058,221	15,250,335	16,484,098	14,353,966	17,662,295
23	GAS STORED UNDERGROUND - CURRENT	10,007,172	3,660,359	3,279,134	3,904,088	5,133,059
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	17,244,265	17,704,954	19,296,147	16,391,992	14,062,863
26	OTHER CURRENT AND ACCRUED ASSETS	33,613,685	29,064,229	30,377,684	27,773,327	33,639,381
27	TOTAL CURRENT AND ACCRUED ASSETS	139,646,286	117,911,174	114,561,305	110,955,154	118,740,996
28	UNAMORTIZED DEBT EXPENSE	3,994,390	4,091,785	4,292,338	4,494,870	4,686,684
29	EXTRAORDINARY PROPERTY LOSSES	26,072,981	28,894,610	31,511,869	33,821,591	34,850,943
30	PREL. SURVEY & INVESTIGATION CHARGES	1,285,639	1,076,768	255,697	186,947	546,860
31	CLEARING ACCOUNTS	403-	-	-	-	1,718
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	2,523,679	2,186,441	1,466,401	14,152	290,191-
34	ACCUM. DEFERRED INCOME TAXES	6,022,610	5,213,993	3,580,439	2,368,323	1,148,149
35	OTHER DEFERRED DEBITS	24,449,161	20,750,113	17,179,009	6,603,062	12,567,184
36	TOTAL DEFERRED DEBITS	64,348,057	62,213,710	58,285,753	47,488,945	53,511,347
37	TOTAL ASSETS AND OTHER DEBITS	$ 915,026,209	$ 862,578,191	$ 832,606,972	$ 748,602,638	$ 686,175,926
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 20,826	$ 20,826	$ 20,826	$ 20,826	$ 20,826
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	3,505,772	3,454,159	3,405,955	3,395,172	3,394,382
40	NATURAL GAS PLANT	373,743	373,743	373,743	373,743	373,743
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	132,211,453	122,928,791	116,168,187	109,762,690	104,135,816
46	GENERAL PLANT	5,138,421	4,772,926	4,159,490	3,627,767	3,240,036
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	141,250,215	131,550,445	124,128,201	117,180,198	111,164,803
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	23,633	23,633	23,633	23,633	23,633
53	CONSTRUCTION WORK IN PROGRESS	5,422,500	7,435,420	6,026,468	5,435,283	3,300,982
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	146,696,348	139,009,498	130,178,302	122,639,114	114,489,418
56	ACCUM. PROV. FOR DEPR. AND AMORT.	52,611,555	49,591,461	46,110,605	42,028,219	36,644,293
57	NET GAS UTILITY PLANT	94,084,793	89,418,037	84,067,697	80,610,895	77,845,125
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	131,550,445	124,128,201	117,180,198	111,164,803	103,040,076
59	ADDITIONS	10,729,701	7,937,382	7,259,427	6,437,809	8,366,604
60	RETIREMENTS	1,061,953	470,452	312,681	479,292	241,877
61	TRANSFERS AND ADJUSTMENTS	32,022	44,686-	1,257	56,878	-
62	END OF YEAR	$ 141,250,215	$ 131,550,445	$ 124,128,201	$ 117,180,198	$ 111,164,803

*EXCLUDES ALLOCATION OF COMMON PLANT

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 64,661,110	$ 63,638,775	$ 63,153,630	$ 63,146,955	$ 63,130,810	1
PREFERRED STOCK ISSUED	54,467,970	56,045,657	57,451,333	58,865,744	60,322,164	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	113,121,465	108,280,001	105,883,079	105,860,383	105,806,315	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	5,910,960-	5,846,181-	5,825,566-	5,826,406-	5,848,720-	8
RETAINED EARNINGS	92,283,141	88,735,492	77,554,565	71,319,465	66,807,220	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	48,474,411	40,908,192	42,856,785	39,915,548	35,000,717	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	367,097,137	351,761,936	341,073,826	333,281,589	325,218,506	12
BONDS (LESS BONDS REACQUIRED)	160,000,000	160,00[illegible]0	170,000,000	170,000,000	170,000,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	101,557,243	101,946,755	102,504,593	59,867,807	25,057,702	15
NET UNAMORTIZED PREMIUM + DISCOUNT	336,172-	[illegible]-	315,010-	300,419-	285,827-	16
TOTAL LONG TERM DEBT	261,221,071	261,[illegible]19,969	272,189,583	229,567,388	194,771,875	17
NOTES PAYABLE	86,650,000	60,000,000	36,500,000	22,000,000	4,500,000	18
ACCOUNTS PAYABLE	51,815,568	52,438,288	44,380,066	45,508,262	42,739,124	19
PAYABLES TO ASSOCIATED COMPANIES	32,826	1,031,597	1,483,078	1,020,625	312,179	20
CUSTOMER DEPOSITS	2,122,761	2,275,721	2,454,455	2,127,738	2,054,542	21
TAXES ACCRUED	4,937,869	4,320,923	2,932,961	3,656,481	3,173,533	22
INTEREST ACCRUED	6,545,757	6,485,368	6,501,144	3,310,015	5,006,474	23
DIVIDENDS DECLARED	861,909	890,077	918,246	1,058,902	1,002,799	24
TAX COLLECTIONS PAYABLE	287,874	319,187	321,239	351,355	332,310	25
OTHER CURRENT AND ACCRUED LIABILITIES	22,106,318	15,700,921	22,926,079	18,967,156	19,035,353	26
TOTAL CURRENT AND ACCRUED LIABILITIES	175,360,882	143,462,082	118,417,268	98,000,534	78,156,314	27
CUSTOMER ADVANCES FOR CONSTRUCTION	867,281	855,029	853,519	838,316	755,943	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	19,105,544	20,102,354	21,164,288	20,588,775	15,784,513	30
OTHER DEFERRED CREDITS	8,360,742	6,420,263	9,141,503	4,005,861	11,365,288	31
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORTIZATION	9,162,789	6,052,181	3,293,429	1,154,977	1,067,326	32
LIBERALIZED DEPRECIATION	55,558,228	51,004,175	45,143,500	39,524,500	34,136,101	33
OTHER	16,324,379	18,803,692	18,479,800	18,519,926	22,693,658	34
TOTAL DEFERRED CREDITS	109,378,963	103,237,694	98,076,039	84,632,355	85,802,829	35
PROPERTY INSURANCE RESERVE	445,921	445,921	445,921	445,921	445,921	36
INJURIES AND DAMAGE RESERVES	2,608,939	2,075,188	2,388,506	2,413,703	1,553,326	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	1,086,704-	24,599-	15,829	261,048	227,155	39
TOTAL OPERATING RESERVES	1,968,156	2,496,510	2,850,256	3,120,672	2,226,402	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 915,026,209	$ 862,578,191	$ 832,606,972	$ 748,602,638	$ 686,175,926	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.80	0.82	0.97	1.13	1.52	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	41.5	42.6	44.3	40.7	37.4	43
PREFERRED STOCK	8.6	9.1	9.3	10.4	11.6	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	35.0	33.7	33.6	36.0	38.0	45
RETAINED EARNINGS	14.6	14.4	12.6	12.6	12.8	46
LONG-TERM DEBT % OF GROSS UTILITY PLANT	29.0	30.3	33.0	30.9	29.6	47
ACCUM. PROV. FOR DEPR. % OF UTILITY PLT	29.5	28.9	28.3	29.4	31.1	48

Statement of Cash Flows
Orange & Rockland Utilities, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$44,143,625	$44,238,095
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	25,205,166	24,360,739
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(7,802,079)	(6,856,740)
4	Deferred Taxes & ITCs	3,379,921	(587,547)
5	Current Income Taxes & Other Taxes Payable	585,633	1,385,911
6	Interest Payable	60,389	(15,776)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(1,408,867)	6,247,831
9	Other Adjustments	(4,367,879)	(1,013,754)
10	Total Adjustments	15,652,284	23,520,664
11	Net Cash From Operating Activities	59,795,909	67,758,759
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(47,894,901)	(46,078,494)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(7,566,219)	(3,889,953)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(55,461,120)	(49,968,447)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(389,513)	(10,557,837)
24	Common Stock	5,863,799	2,882,067
25	Preferred Stock	(1,577,687)	(1,405,676)
26	Short-term Debt	26,650,000	23,500,000
27	Dividends Paid	(33,029,757)	(32,265,114)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(2,483,158)	(17,846,560)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	1,851,631	(56,248)
32	Cash & Cash Equivalents At Beginning Of Year	2,248,094	2,304,342
33	Cash & Cash Equivalents At End Of Year	$4,099,725	$2,248,094

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						-
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 127,660,781	$ 107,384,347	$ 109,704,031	$ 127,683,125	$ 137,930,444	1
OPERATION AND MAINTENANCE EXPENSE	96,403,316	79,345,255	81,975,365	98,613,757	109,658,519	2
DEPRECIATION EXPENSE	4,520,654	4,539,081	4,209,206	3,936,833	4,321,868	3
AMORTIZATION	231,672	231,887	895,454	2,378,599	944,238	4
TAXES OTHER THAN INCOME TAXES	13,425,398	12,859,535	12,372,687	12,720,099	12,849,060	5
INCOME TAXES	3,108,786	234,644-	3,891,381	6,554,179	2,698,143	6
PROVISION FOR DEFERRED INCOME TAXES	370,883	4,071,703	329,725	2,248,300	2,446,800	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	939,437-	912,655-	1,081,691-	4,878,848-	1,757,883-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	117,121,272	99,900,162	102,592,127	121,572,919	131,160,745	12
NET OPERATING REVENUES	10,539,509	7,484,185	7,111,904	6,110,206	6,769,699	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	10,539,509	7,484,185	7,111,904	6,110,206	6,769,699	15
OTHER UTILITY OPERATING INCOME	53,566,275	58,161,383	46,430,086	40,233,810	41,274,560	16
TOTAL UTILITY OPERATING INCOME	64,105,784	65,645,568	53,541,990	46,344,016	48,044,259	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	5,192-	-	-	-	-	19
NONOPERATING RENTAL INCOME	6,159-	950-	1,071	302	11,619-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	7,566,219	3,889,953	2,941,237	4,914,831	4,040,253	21
INTEREST AND DIVIDEND INCOME	351,181	685,983	1,655,161	272,190	669,188	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,408,867	587,547	5,983,270	9,351,230	1,643,130	23
MISCELLANEOUS NONOPERATING INCOME	177,355-	220,570-	95,317-	175,483-	170,186-	24
GAIN ON DISPOSITION OF PROPERTY	-	8,822	1	132,645	204,834	25
TOTAL OTHER INCOME	9,137,561	4,950,785	10,485,423	14,495,715	6,375,600	26
TOTAL INCOME	73,243,345	70,596,353	64,027,413	60,839,731	54,419,859	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	41,291	38,345	38,819	34,927	36,066	28
INCOME TAXES-NONOPERATING	1,187,466-	1,282,375-	2,711,640-	2,832,867-	1,434,944-	29
LOSS ON DISPOSITION OF PROPERTY	-	32,752	5,893	530	43	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	763,784	840,250	539,631	632,869	439,908	32
TOTAL INCOME DEDUCTIONS	382,391-	371,028-	2,127,297-	2,164,541-	958,927-	33
INCOME BEFORE INTEREST CHARGES	73,625,736	70,967,381	66,154,710	63,004,272	55,378,786	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	21,667,676	21,872,473	22,119,122	22,119,959	14,157,366	35
AMORT. OF DEBT DISCOUNT + EXPENSE	230,394	232,330	234,479	234,376	179,753	36
AMORT. OF PREMIUM ON DEBT-CREDIT	41,163-	43,554-	46,369-	46,370-	46,369-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	7,625,204	4,668,037	2,943,194	288,210-	1,330,736	39
TOTAL INTEREST CHARGES	29,482,111	26,729,286	25,250,426	22,019,755	15,621,486	40
INCOME BEFORE EXTRAORDINARY ITEMS	44,143,625	44,238,095	40,904,284	40,984,517	39,757,300	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 44,143,625	$ 44,238,095	$ 40,904,284	$ 40,984,517	$ 39,757,300	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 88,735,492	$ 80,652,464	$ 71,319,465	$ 66,807,220	$ 64,858,456	44
BALANCE TRANSFERRED FROM INCOME	36,577,406	40,348,142	37,963,047	36,069,686	35,717,047	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	3,822,956	3,940,392	3,941,363	4,281,253	4,284,360	47
-COMMON STOCK	29,206,801	28,324,722	27,786,584	27,276,188	26,386,024	48
ADJUSTMENTS	-	-	-	-	3,097,899-	49
BALANCE END OF YEAR	92,283,141	88,735,492	77,554,565	71,319,465	66,807,220	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	48,474,411	40,908,192	42,856,785	39,915,548	35,000,717	52
TOTAL END OF YEAR	$ 140,757,552	$ 129,643,684	$ 120,411,350	$ 111,235,013	$ 101,807,937	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	26.3	24.2	26.5	30.0	28.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	9.1	9.9	9.8	9.6	8.3	55
PRETAX COVERAGE OF INTEREST CHARGES	3.0	3.4	3.4	3.9	5.3	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	72.4	70.2	75.1	74.3	74.3	57
RETURN ON COMMON EQUITY	13.2	13.9	13.2	13.6	13.5	58

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 83,225,738	$ 68,681,788	$ 72,057,820	$ 79,482,699	$ 76,442,814
2	COMMERCIAL AND INDUSTRIAL	39,298,072	34,126,028	33,056,236	42,859,825	57,307,389
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	100,763	65,614	70,687	59,220	71,395
5	TOTAL REVENUES - ULTIMATE CONSUMERS	122,624,573	102,873,430	105,184,743	122,401,744	133,821,598
6	RESALE	2,703,416	2,407,440	2,136,149	2,657,157	2,913,077
7	TOTAL REVENUES FROM SALES OF GAS	125,327,989	105,280,870	107,320,892	125,058,901	136,734,675
8	OTHER GAS OPERATING REVENUES	2,332,792	2,103,477	2,383,139	2,624,224	1,195,769
9	TOTAL GAS OPERATING REVENUES	$ 127,660,781	$ 107,384,347	$ 109,704,031	$ 127,683,125	$ 137,930,444
	GAS SALES (MCF):					
10	RESIDENTIAL	13,795,019	13,618,138	12,780,979	12,534,708	11,999,266
11	COMMERCIAL AND INDUSTRIAL	7,153,009	7,573,027	6,349,789	7,786,996	10,285,685
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	18,315	17,158	18,568	14,496	16,112
14	TOTAL SALES TO ULTIMATE CONSUMERS	20,966,343	21,208,323	19,149,336	20,336,200	22,301,063
15	RESALE	826,865	787,901	707,143	712,671	636,129
16	TOTAL GAS SALES	21,793,208	21,996,224	19,856,479	21,048,871	22,937,192
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	93,372	91,802	89,791	87,738	85,817
18	COMMERCIAL AND INDUSTRIAL	9,037	8,735	8,375	7,969	7,623
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	1	1	1	1	1
21	TOTAL ULTIMATE CONSUMERS	102,410	100,538	98,167	95,708	93,441
22	RESALE	2	2	2	2	2
23	TOTAL CUSTOMERS	102,412	100,540	98,169	95,710	93,443

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 891.34	$ 748.15	$ 802.51	$ 905.91	$ 890.77
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	148	148	142	143	140
26	AVERAGE REVENUE PER MCF SOLD	$ 6.03	$ 5.04	$ 5.64	$ 6.34	$ 6.37
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,348.57	$ 3,906.81	$ 3,947.01	$ 5,378.32	$ 7,517.70
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	792	867	758	977	1,349
29	AVERAGE REVENUE PER MCF SOLD	$ 5.49	$ 4.51	$ 5.21	$ 5.50	$ 5.57

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	795,949	717,795	493,039	473,935	599,887
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	105,962,894	84,309,876	94,302,798	80,290,660	132,414,337
35	OTHER	35,847,178-	30,686,834-	37,061,929-	6,720,285-	48,977,722-
36	TOTAL PRODUCTION EXPENSE	70,911,665	54,340,837	57,733,908	74,044,310	84,036,502
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	1,432,469	1,686,732	1,429,154	1,517,174	1,762,238
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	1,432,469	1,686,732	1,429,154	1,517,174	1,762,238
40	TRANSMISSION EXPENSES	3,325,237	3,937,220	4,439,696	5,525,505	7,770,495
41	DISTRIBUTION EXPENSES	8,946,508	8,665,585	7,786,514	7,211,453	6,870,823
42	CUSTOMER ACCOUNTS EXPENSES	2,236,180	2,251,514	2,322,507	2,454,915	2,156,535
43	SALES EXPENSES	418,642	435,871	470,871	497,338	513,696
44	ADMINISTRATIVE AND GENERAL EXPENSES	9,132,615	8,027,496	7,792,715	7,363,062	6,548,230
45	TOTAL O & M EXPENSES	$ 96,403,316	$ 79,345,255	$ 81,975,365	$ 98,613,757	$ 109,658,519

ORANGE AND ROCKLAND UTILITIES, INC.
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 127,660,781	$ 107,384,347	$ 109,704,031	$ 127,683,125	$ 137,930,444	1
SALES (MCF)	21,793,208	21,996,224	19,856,479	21,048,871	22,937,192	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 70,115,716	$ 53,623,042	$ 57,240,869	$ 73,570,375	$ 83,436,615	3
WAGES AND BENEFITS	14,186,151	13,301,922	12,519,923	11,717,467	11,376,173	4
OTHER OPERATION AND MAINTENANCE EXPENSES	12,101,449	12,420,291	12,214,573	13,325,915	14,845,731	5
DEPRECIATION AND AMORTIZATION EXPENSES	4,752,326	4,770,968	5,104,660	6,315,432	5,266,106	6
INCOME TAXES - OPERATING	2,540,232	2,924,404	3,139,415	3,923,631	3,387,060	7
OTHER TAXES - OPERATING	13,425,398	12,859,535	12,372,687	12,720,099	12,849,060	8
*INTEREST CHARGES **	5,566,562	3,389,676	3,233,509	2,105,172	3,145,778	9
*PREFERRED DIVIDENDS **	600,172	614,749	591,342	709,661	771,994	10
EARNINGS AVAILABLE FOR COMMON EQUITY	4,372,775	3,479,760	3,287,055	3,295,373	2,851,927	11
TOTAL	$ 127,660,781	$ 107,384,347	$ 109,704,031	$ 127,683,125	$ 137,930,444	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	54.9	49.9	52.2	57.6	60.5	13
WAGES AND BENEFITS	11.1	12.4	11.4	9.2	8.2	14
OTHER OPERATION AND MAINTENANCE EXPENSES	9.5	11.6	11.1	10.4	10.8	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.7	4.4	4.7	4.9	3.8	16
INCOME TAXES - OPERATING	2.0	2.7	2.9	3.1	2.5	17
OTHER TAXES - OPERATING	10.5	12.0	11.3	10.0	9.3	18
*INTEREST CHARGES **	4.4	3.2	2.9	1.6	2.3	19
*PREFERRED DIVIDENDS **	0.5	0.6	0.5	0.6	0.6	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.4	3.2	3.0	2.6	2.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.22	$ 2.44	$ 2.88	$ 3.50	$ 3.64	23
WAGES AND BENEFITS	0.65	0.60	0.63	0.56	0.50	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.56	0.56	0.62	0.63	0.65	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.22	0.22	0.26	0.30	0.23	26
INCOME TAXES - OPERATING	0.12	0.13	0.16	0.19	0.15	27
OTHER TAXES - OPERATING	0.62	0.58	0.62	0.60	0.56	28
*INTEREST CHARGES **	0.26	0.15	0.16	0.10	0.14	29
*PREFERRED DIVIDENDS **	0.03	0.03	0.03	0.03	0.03	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.20	0.16	0.17	0.16	0.12	31
TOTAL	$ 5.86	$ 4.88	$ 5.52	$ 6.07	$ 6.01	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	15.70	15.55	15.28	16.35	18.07	33

** NET OF AFC.

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 292,885,268	$ 276,522,244	$ 262,315,848	$ 249,504,986	$ 238,156,047
2	ACCUM. PROV. FOR DEPR. AND AMORT	93,543,264	87,021,319	81,166,804	75,363,313	70,093,929
3	NET GAS UTILITY PLANT	199,342,004	189,500,925	181,149,044	174,141,673	168,062,118
4	OTHER UTILITY PLANT	1,984,057,232	1,888,900,082	1,800,339,648	2,091,019,064	1,918,953,404
5	ACCUM. PROV. FOR DEPR. AND AMORT	693,740,176	619,151,943	554,570,068	541,643,808	506,165,727
6	NET OTHER UTILITY PLANT	1,290,317,056	1,269,748,139	1,245,769,580	1,549,375,256	1,412,787,677
7	TOTAL UTILITY PLANT	2,276,942,500	2,165,422,326	2,062,655,496	2,340,524,050	2,157,109,451
8	ACCUM. PROV. FOR DEPR. AND AMORT	787,283,440	706,173,262	635,736,872	617,007,121	576,259,656
9	NET TOTAL UTILITY PLANT	1,489,659,060	1,459,249,064	1,426,918,624	1,723,516,929	1,580,849,795
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT	27,371	27,371	27,371	27,371	27,371
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,163,313	3,086,075	2,078,758	2,237,100	2,237,100
13	OTHER INVESTMENTS	340,854	290,759	290,759	290,759	290,759
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,531,538	3,404,205	2,396,888	2,555,230	2,555,230
16	CASH	648,198	95,137	686,718	1,363,403	1,154,964
17	SPECIAL DEPOSITS	90,399	111,168	98,118	41,000	5,463,259
18	WORKING FUNDS	1,555,389-	2,076,507-	73,059	114,799	72,079
19	TEMPORARY CASH INVESTMENTS	11,000,000	74,900,905	59,329,167	2,300,000	39,798,414
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	80,463,313	63,406,915	94,059,745	54,388,776	66,308,759
21	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	24,067,288	17,397,999	20,251,047	24,222,370	21,013,566
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	13,284,269	11,303,301	9,602,409	11,322,946	10,186,115
26	OTHER CURRENT AND ACCRUED ASSETS	60,529,722	48,629,708	249,340	66,312	183,744
27	TOTAL CURRENT AND ACCRUED ASSETS	188,527,800	213,768,626	184,349,603	93,819,606	144,180,900
28	UNAMORTIZED DEBT EXPENSE	11,075,397	13,072,272	14,678,074	12,022,078	9,081,381
29	EXTRAORDINARY PROPERTY LOSSES	3,220,556	8,933,508	17,543,508	42,576,501	48,116,001
30	PREL. SURVEY & INVESTIGATION CHARGES	223,384	232,015	650,781	1,499,151	1,705,398
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	332,574-	326,330-	224,012	422,953	52,535-
34	ACCUM. DEFERRED INCOME TAXES	52,891,189	51,458,647	64,013,540	10,424,822	9,912,541
35	OTHER DEFERRED DEBITS	85,968,172	72,092,406	93,499,203	40,801,785	13,513,143
36	TOTAL DEFERRED DEBITS	153,046,124	145,462,518	190,609,118	107,747,290	82,275,929
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,833,764,522	$ 1,821,884,413	$ 1,804,274,233	$ 1,927,639,055	$ 1,809,861,854
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 3,855	$ 3,855	$ 3,855	$ 3,855	$ 3,855
	PRODUCTION PLANT					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	144,328	144,843	145,126	143,184	138,494
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	283,773,459	270,149,630	256,683,091	242,795,218	232,086,909
46	GENERAL PLANT	2,182,625	2,078,843	1,996,098	1,966,670	1,837,948
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	286,104,267	272,377,171	258,828,170	244,908,927	234,067,206
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	6,781,001	4,145,073	3,487,679	4,596,059	4,088,841
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	292,885,268	276,522,244	262,315,848	249,504,986	238,156,047
56	ACCUM. PROV. FOR DEPR. AND AMORT	93,543,264	87,021,319	81,166,804	75,363,313	70,093,929
57	NET GAS UTILITY PLANT	199,342,004	189,500,925	181,149,044	174,141,673	168,062,118
	PLANT IN SERVICE					
58	BEGINNING OF YEAR	272,377,172	258,828,169	244,908,927	234,067,206	223,673,175
59	ADDITIONS	14,894,944	14,950,490	15,059,239	12,267,766	11,957,762
60	RETIREMENTS	1,168,566	1,400,949	1,139,996	1,422,395	927,871
61	TRANSFERS AND ADJUSTMENTS	717	539-	-	3,650-	635,860-
62	END OF YEAR	$ 286,104,267	$ 272,377,171	$ 258,828,169	$ 244,908,927	$ 234,067,206

*EXCLUDES ALLOCATION OF COMMON PLANT

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 155,289,840	$ 153,929,055	$ 150,606,875	$ 146,235,435	$ 142,484,495	1
PREFERRED STOCK ISSUED	97,000,000	97,000,000	118,609,000	112,110,000	114,547,500	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	371,816,349	365,416,681	357,549,355	345,652,805	330,575,694	5
OTHER PAID-IN CAPITAL	71,297	71,297	379,796	341,284	376,357	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	14,617,682-	14,509,679-	14,517,902-	12,525,240-	12,359,142-	8
RETAINED EARNINGS	59,024,510	39,862,025	17,775,280	249,505,014	216,794,787	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,041,111-	151,025-	158,342-	-	-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	668,543,203	641,618,354	630,244,062	841,319,298	792,419,691	12
BONDS (LESS BONDS REACQUIRED)	647,834,000	685,667,000	706,000,000	698,750,000	676,500,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	141,900,000	141,900,000	141,900,000	91,900,000	91,900,000	15
NET UNAMORTIZED PREMIUM + DISCOUNT	142,546	158,927	175,433	181,608	139,341-	16
TOTAL LONG TERM DEBT	789,876,546	827,725,927	848,075,433	790,831,608	768,260,659	17
NOTES PAYABLE	-	-	-	18,000,000	-	18
ACCOUNTS PAYABLE	49,880,727	36,372,108	31,573,161	26,618,322	44,268,476	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	2,569,320	2,407,484	2,081,443	2,001,176	1,600,350	21
TAXES ACCRUED	13,410,930	5,991,574	3,422,738	3,681,967-	1,299,052	22
INTEREST ACCRUED	15,281,399	15,651,566	15,922,012	14,235,797	14,584,970	23
DIVIDENDS DECLARED	13,700,042	13,054,463	13,296,791	18,069,593	17,718,413	24
TAX COLLECTIONS PAYABLE	1,395,881	1,263,018	1,495,172	1,524,957	1,480,388	25
OTHER CURRENT AND ACCRUED LIABILITIES	12,123,672	12,801,339	15,359,713	11,065,824	7,958,557	26
TOTAL CURRENT AND ACCRUED LIABILITIES	108,361,971	87,541,552	83,151,030	87,833,702	88,910,206	27
CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	63,948,959	64,374,186	68,136,923	86,156,106	76,011,458	30
OTHER DEFERRED CREDITS	75,837,752	95,133,745	90,892,154	46,494,416	22,453,671	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	109,182,919	95,999,915	77,949,095	52,402,121	41,178,286	33
OTHER	16,951,661	8,429,737	4,811,537	21,279,534	19,325,619	34
TOTAL DEFERRED CREDITS	265,921,291	263,937,583	241,789,709	206,332,177	158,969,034	35
PROPERTY INSURANCE RESERVE	1,061,511	1,060,997	1,013,999	758,845	463,115	36
INJURIES AND DAMAGE RESERVES	-	-	-	563,425	839,149	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	1,061,511	1,060,997	1,013,999	1,322,270	1,302,264	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,833,764,522	$ 1,821,884,413	$ 1,804,274,233	$ 1,927,639,055	$ 1,809,861,854	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.74	2.44	2.22	1.07	1.62	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	54.1	56.3	57.3	48.4	49.2	43
PREFERRED STOCK	6.6	6.6	8.0	6.8	7.3	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	35.1	34.3	33.4	29.3	29.5	45
RETAINED EARNINGS	4.0	2.7	1.2	15.2	13.8	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	34.6	38.2	41.1	33.7	35.6	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT.	34.5	32.6	30.8	26.3	26.7	48

Statement of Cash Flows
Rochester Gas & Electric Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$71,444,132	$76,114,408
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	98,526,394	91,152,985
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(10,219,933)	(10,150,509)
4	Deferred Taxes & ITCs	20,924,159	28,123,344
5	Current Income Taxes & Other Taxes Payable	7,042,356	2,568,836
6	Interest Payable	(370,167)	199,998
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(1,171,727)	(2,047,266)
9	Other Adjustments	(42,638,300)	26,507,072
10	Total Adjustments	72,092,782	136,354,460
11	Net Cash From Operating Activities	143,536,914	212,468,868
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(123,762,787)	(112,750,995)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	922,762	(1,007,317)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(1,844,477)	(49,464)
22	Net Cash From Investing Activities	(124,684,502)	(113,807,776)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(37,833,000)	(20,333,000)
24	Common Stock	8,760,453	11,189,506
25	Preferred Stock		(22,758,037)
26	Short-term Debt		
27	Dividends Paid	(52,526,160)	(53,422,140)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(101,200)	(493,780)
30	Net Cash From Financing Activities	(81,699,907)	(85,817,451)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(62,847,495)	12,843,641
32	Cash & Cash Equivalents At Beginning Of Year	73,030,703	60,187,062
33	Cash & Cash Equivalents At End Of Year	$10,183,208	$73,030,703

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS

ITEM	1989	1988	1987	1986	1985	LINE NO.
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 264,011,104	$ 230,395,175	$ 215,058,239	$ 261,687,714	$ 269,561,412	1
OPERATION AND MAINTENANCE EXPENSE	196,767,919	172,107,275	163,069,671	203,941,451	215,229,322	2
DEPRECIATION EXPENSE	9,775,761	9,259,345	8,753,725	8,318,630	7,700,458	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	23,980,227	22,208,778	21,365,182	23,276,317	23,116,119	5
INCOME TAXES	9,268,402	5,210,865	5,485,200	7,760,822	4,150,456	6
PROVISION FOR DEFERRED INCOME TAXES	385,096-	1,429,796	208,450	2,606,620	4,413,170	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	931,110-	71,943-	112,520	2,593,919-	2,680,450-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	1,331,177	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	238,476,103	210,144,116	200,325,925	243,309,921	251,929,072	12
NET OPERATING REVENUES	25,535,001	20,251,059	15,732,314	18,377,793	17,632,340	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	25,535,001	20,251,059	15,732,314	18,377,793	17,632,340	15
OTHER UTILITY OPERATING INCOME	105,698,395	118,623,405	106,642,233	97,443,675	101,621,686	16
TOTAL UTILITY OPERATING INCOME	131,233,396	138,874,464	122,374,547	115,821,468	119,254,026	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	397-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	24,639-	7,317	158,342-	-	-	21
INTEREST AND DIVIDEND INCOME	6,093,378	6,470,288	3,000,423	1,456,100	5,099,936	22
ALLOWANCE FOR CONSTRUCTION FUNDS	4,286,333	3,824,205	29,825,491	44,805,667	52,732,548	23
MISCELLANEOUS NONOPERATING INCOME	4,079,130	1,386,869	6,343,750	5,344,106	306,575-	24
GAIN ON DISPOSITION OF PROPERTY	32,185	16,460	651,609	461,281	10,665	25
TOTAL OTHER INCOME	14,466,387	11,705,139	39,662,931	52,067,154	57,536,177	26
TOTAL INCOME	145,699,783	150,579,603	162,037,478	167,888,622	176,790,203	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	127,009	117,295	62,205	27,471	70,541	28
INCOME TAXES-NONOPERATING	738,597-	1,682,410-	8,559,622-	13,880,533-	13,344,232-	29
LOSS ON DISPOSITION OF PROPERTY	865,450	-	360,579	-	8,177,216	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	283,684	31
MISCELLANEOUS INCOME DEDUCTIONS	859,528	862,397	583,246	509,336	534,325	32
TOTAL INCOME DEDUCTIONS	1,113,390	702,718-	7,553,592-	13,343,726-	4,278,466-	33
INCOME BEFORE INTEREST CHARGES	144,586,393	151,282,321	169,591,070	181,232,348	181,068,669	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	68,627,656	72,270,332	73,489,016	74,570,833	70,372,960	35
AMORT. OF DEBT DISCOUNT + EXPENSE	2,248,062	2,115,284	1,845,569	1,147,134	833,145	36
AMORT. OF PREMIUM ON DEBT-CREDIT	30,243-	30,368-	31,389-	32,411-	33,617-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	161,995	-	-	-	38
OTHER INTEREST EXPENSE	896,786	650,670	1,000,104	1,027,945	1,427,700	39
TOTAL INTEREST CHARGES	71,742,261	75,167,913	76,303,300	76,713,501	72,600,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	72,844,132	76,114,408	93,287,770	104,518,847	108,468,481	41
EXTRAORDINARY ITEMS - NET	1,400,000-	-	262,000,000-	-	-	42
NET INCOME	$ 71,444,132	$ 76,114,408	$ 168,712,230-	$ 104,518,847	$ 108,468,481	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 39,819,678	$ 17,732,933	$ 249,462,667	$ 216,752,440	$ 179,633,479	44
BALANCE TRANSFERRED FROM INCOME	72,334,219	76,107,091	168,553,888-	104,518,847	108,468,481	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	6,025,000	7,347,870	8,146,869	8,057,705	9,467,448	47
-COMMON STOCK	47,146,734	45,831,937	55,028,977	63,750,915	61,882,072	48
ADJUSTMENTS	-	840,539-	-	-	-	49
BALANCE END OF YEAR	58,982,163	39,819,678	17,732,933	249,462,667	216,752,440	50
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	1,041,111-	151,025-	158,342-	-	-	52
TOTAL END OF YEAR	$ 57,983,399	$ 39,711,000	$ 17,616,938	$ 249,505,014	$ 216,794,787	53

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1989	1988	1987	1986	1985	LINE NO.
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	31.3	29.7	29.5	34.9	35.6	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.4	9.8	22.9-	13.9	14.3	55
PRETAX COVERAGE OF INTEREST CHARGES	2.5	2.5	2.8	3.0	3.1	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	72.0	66.6	-	66.0	62.5	57
RETURN ON COMMON EQUITY	11.7	13.0	-	13.7	15.6	58

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 185,840,765	$ 157,759,257	$ 144,987,907	$ 163,813,877	$ 161,681,945
2	COMMERCIAL AND INDUSTRIAL	61,034,402	54,989,213	54,153,186	81,452,784	92,404,913
3	OTHER SALES TO PUBLIC AUTHORITIES	7,218,296	7,700,930	8,927,906	12,679,542	13,525,500
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	254,093,463	220,449,400	208,068,999	257,946,203	267,612,358
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	254,093,463	220,449,400	208,068,999	257,946,203	267,612,358
8	OTHER GAS OPERATING REVENUES	9,917,641	9,945,775	7,989,240	3,741,511	1,949,054
9	TOTAL GAS OPERATING REVENUES	$ 264,011,104	$ 230,395,175	$ 216,058,239	$ 261,687,714	$ 269,561,412
	GAS SALES (MCF):					
10	RESIDENTIAL	28,004,013	27,080,200	24,769,244	25,649,334	25,095,260
11	COMMERCIAL AND INDUSTRIAL	9,936,540	10,380,124	10,221,154	14,498,589	16,574,683
12	OTHER SALES TO PUBLIC AUTHORITIES	1,199,547	1,509,807	1,747,560	2,270,191	2,426,544
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	39,140,101	38,970,131	36,737,959	42,418,115	44,096,487
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	39,140,101	38,970,131	36,737,959	42,418,115	44,096,487
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	236,341	232,695	228,858	224,709	220,908
18	COMMERCIAL AND INDUSTRIAL	18,448	17,958	17,505	16,950	16,485
19	OTHER SALES TO PUBLIC AUTHORITIES	1,060	1,031	1,017	999	978
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	255,849	251,684	247,380	242,658	238,371
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	255,849	251,684	247,380	242,658	238,371

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 786.32	$ 677.97	$ 633.53	$ 729.00	$ 731.90
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	118	116	108	114	114
26	AVERAGE REVENUE PER MCF SOLD	$ 6.64	$ 5.83	$ 5.85	$ 6.39	$ 6.44
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,308.46	$ 3,062.10	$ 3,093.58	$ 4,805.47	$ 5,605.39
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	539	578	584	855	1,005
29	AVERAGE REVENUE PER MCF SOLD	$ 6.14	$ 5.30	$ 5.30	$ 5.62	$ 5.58

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	6,717	8,931	8,938	4,652	6,539
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	152,658,439	129,399,467	122,468,319	163,235,686	180,686,557
35	OTHER	71,043-	272,097-	540,249-	2,150,558-	5,927,744-
36	TOTAL PRODUCTION EXPENSE	152,594,113	129,136,301	121,937,008	161,089,780	174,765,352
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	16,058,911	15,321,871	15,266,273	14,633,786	13,572,401
42	CUSTOMER ACCOUNTS EXPENSES	7,345,447	7,017,697	6,934,695	7,609,312	7,906,794
43	SALES EXPENSES	1,723,296	1,568,551	1,488,632	1,723,018	2,177,442
44	ADMINISTRATIVE AND GENERAL EXPENSES	19,046,153	19,062,855	17,443,063	18,885,555	16,807,330
45	TOTAL O & M EXPENSES	$ 196,767,919	$ 172,107,275	$ 163,069,671	$ 203,941,451	$ 215,229,322

ROCHESTER GAS AND ELECTRIC CORPORATION
DISTRIBUTION OF GAS REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 264,011,104	$ 230,395,175	$ 216,058,239	$ 261,687,714	$ 269,561,412	1
SALES (MCF)	39,140,101	38,970,131	36,737,959	42,418,115	44,096,487	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 152,587,396	$ 129,127,370	$ 121,928,070	$ 161,085,128	$ 174,758,813	3
WAGES AND BENEFITS	28,325,195	28,141,499	27,468,633	27,222,706	26,115,625	4
OTHER OPERATION AND MAINTENANCE EXPENSES	15,855,328	14,838,406	13,672,968	15,633,617	14,354,884	5
DEPRECIATION AND AMORTIZATION EXPENSES	9,775,761	9,259,345	8,753,725	8,318,630	7,700,458	6
INCOME TAXES - OPERATING	7,952,196	6,568,718	7,137,347	7,773,523	5,883,176	7
OTHER TAXES - OPERATING	23,980,227	22,208,778	21,365,182	23,276,317	23,116,119	8
*INTEREST CHARGES **	10,128,612	8,315,503	8,462,918	8,964,054	8,993,329	9
*PREFERRED DIVIDENDS **	940,460	988,099	1,073,111	836,393	1,036,454	10
EARNINGS AVAILABLE FOR COMMON EQUITY	14,465,929	10,947,457	6,196,285	8,577,346	7,602,554	11
TOTAL	$ 264,011,104	$ 230,395,175	$ 216,058,239	$ 261,687,714	$ 269,561,412	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	57.8	56.0	56.4	61.6	64.8	13
WAGES AND BENEFITS	10.7	12.2	12.7	10.4	9.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	6.0	6.4	6.3	6.0	5.3	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.7	4.0	4.1	3.2	2.9	16
INCOME TAXES - OPERATING	3.0	2.9	3.3	3.0	2.2	17
OTHER TAXES - OPERATING	9.1	9.6	9.9	8.9	8.6	18
*INTEREST CHARGES **	3.8	3.6	3.9	3.4	3.3	19
*PREFERRED DIVIDENDS **	0.4	0.4	0.5	0.3	0.4	20
EARNINGS AVAILABLE FOR COMMON EQUITY	5.5	4.8	2.9	3.3	2.8	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.90	$ 3.31	$ 3.32	$ 3.80	$ 3.96	23
WAGES AND BENEFITS	0.72	0.72	0.75	0.64	0.59	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.41	0.38	0.37	0.37	0.33	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.25	0.24	0.24	0.20	0.17	26
INCOME TAXES - OPERATING	0.20	0.17	0.19	0.18	0.13	27
OTHER TAXES - OPERATING	0.61	0.57	0.58	0.55	0.52	28
*INTEREST CHARGES **	0.26	0.21	0.23	0.21	0.20	29
*PREFERRED DIVIDENDS **	0.02	0.03	0.03	0.02	0.02	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.37	0.28	0.17	0.20	0.17	31
TOTAL	$ 6.75	$ 5.91	$ 5.88	$ 6.17	$ 6.11	32
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	13.94	13.49	13.18	10.41	10.97	33

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ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 13,515,255	$ 13,035,724	$ 12,641,694	$ 12,372,721	$ 12,065,068
2	ACCUM. PROV. FOR DEPR. AND AMORT.	5,404,195	5,129,238	4,827,087	4,604,761	4,272,254
3	NET GAS UTILITY PLANT	8,111,060	7,906,486	7,814,607	7,767,960	7,792,814
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROV. FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	13,515,255	13,035,724	12,641,694	12,372,721	12,065,068
8	ACCUM. PROV. FOR DEPR. AND AMORT.	5,404,195	5,129,238	4,827,087	4,604,761	4,272,254
9	NET TOTAL UTILITY PLANT	8,111,060	7,906,486	7,814,607	7,767,960	7,792,814
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPR. AND AMORT.	1,648,441	1,549,002	1,436,191	1,363,817	1,281,023
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	18,638	16,945	16,214	26,025	26,382
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,667,079	1,565,947	1,452,405	1,389,842	1,307,405
16	CASH	382,979	439,580	182,234	335,087	367,361
17	SPECIAL DEPOSITS	-	-	1,300	1,300	1,300
18	WORKING FUNDS	3,277	2,177	2,212	2,354	2,177
19	TEMPORARY CASH INVESTMENTS	1,250,000	444,000	1,344,000	740,000	1,633,000
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	3,425,686	2,818,084	2,822,976	2,674,888	3,926,470
21	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	163,142	167,014	160,368	159,637	146,047
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	234,732	237,730	253,051	253,498	206,732
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	5,459,816	4,108,585	4,766,141	4,166,764	6,283,087
28	UNAMORTIZED DEBT EXPENSE	-	-	2,551	7,653	12,757
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	-	-	-	-	-
34	ACCUM. DEFERRED INCOME TAXES	438,899	360,335	152,794	193,846	236,091
35	OTHER DEFERRED DEBITS	1,133,920-	520,445-	255,891-	278,020-	247,880-
36	TOTAL DEFERRED DEBITS	695,021-	160,110-	100,546-	76,521-	968
37	TOTAL ASSETS AND OTHER DEBITS	$ 14,542,934	$ 13,420,908	$ 13,932,607	$ 13,248,045	$ 15,384,274
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 2,262	$ 2,262	$ 2,262	$ 2,262	$ 2,262
	PRODUCTION PLANT:					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	-	-	-	-	-
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	12,498,257	12,157,671	11,828,422	11,598,713	11,386,269
46	GENERAL PLANT	980,575	873,017	804,563	740,486	672,602
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	13,481,094	13,032,950	12,635,247	12,341,461	12,061,133
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	-	-	-	-	-
53	CONSTRUCTION WORK IN PROGRESS	34,161	2,772	6,447	31,260	3,935
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	13,515,255	13,035,724	12,641,694	12,372,721	12,065,068
56	ACCUM. PROV. FOR DEPR. AND AMORT.	5,404,195	5,129,238	4,827,087	4,604,761	4,272,254
57	NET GAS UTILITY PLANT	8,111,060	7,906,486	7,814,607	7,767,960	7,792,814
	PLANT IN SERVICE:					
58	BEGINNING OF YEAR	13,032,950	12,635,247	12,341,461	12,061,133	11,810,973
59	ADDITIONS	646,323	521,784	475,663	346,424	379,823
60	RETIREMENTS	199,550	127,286	184,522	69,470	134,490
61	TRANSFERS AND ADJUSTMENTS	1,371	3,205	2,645	3,374	4,827
62	END OF YEAR	$ 13,481,094	$ 13,032,952	$ 12,635,247	$ 12,341,461	$ 12,061,133

*EXCLUDES ALLOCATION OF COMMON PLANT

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000	1
PREFERRED STOCK ISSUED	-	-	-	-	-	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	5
OTHER PAID-IN CAPITAL	-	-	-	-	-	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	5,280,608	4,865,047	4,131,243	3,562,748	2,951,704	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,465-	5,083-	5,814-	6,003-	5,646-	10
REACQUIRED CAPITAL STOCK	-	-	-	-	-	11
TOTAL PROPRIETARY CAPITAL	9,628,143	9,209,964	8,475,429	7,906,745	7,306,058	12
BONDS (LESS BONDS REACQUIRED)	-	-	1,488,000	1,560,000	1,632,000	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	-	-	-	-	1,500,000	15
NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-	16
TOTAL LONG TERM DEBT	-	-	1,488,000	1,560,000	3,132,000	17
NOTES PAYABLE	-	-	-	-	-	18
ACCOUNTS PAYABLE	110,533	101,257	119,027	97,952	56,795	19
PAYABLES TO ASSOCIATED COMPANIES	2,730,038	2,226,214	2,364,592	2,258,728	3,559,159	20
CUSTOMER DEPOSITS	101,181	117,948	109,351	102,142	87,677	21
TAXES ACCRUED	173,701	225,787	35,564	51,908	61,884-	22
INTEREST ACCRUED	4,878	5,491	4,572	5,429	34,129	23
DIVIDENDS DECLARED	108,750	108,750	108,750	108,750	108,750	24
TAX COLLECTIONS PAYABLE	-	-	-	-	-	25
OTHER CURRENT AND ACCRUED LIABILITIES	77,976	72,252	55,111	52,662	59,931	26
TOTAL CURRENT AND ACCRUED LIABILITIES	3,307,057	2,857,699	2,796,967	2,677,571	3,844,557	27
CUSTOMER ADVANCES FOR CONSTRUCTION	6,013	7,162	7,900	8,270	31,392	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	276,499	290,501	304,503	318,505	314,488	30
OTHER DEFERRED CREDITS	-	-	-	-	-	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	-	32
LIBERALIZED DEPRECIATION	-	930,438	720,796	629,937	567,486	33
OTHER	1,201,765	-	14,104	22,523	62,857	34
TOTAL DEFERRED CREDITS	1,484,277	1,228,101	1,047,303	979,235	976,223	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	125,000	125,000	125,000	125,000	125,000	37
PENSION AND BENEFITS RESERVE	1,543-	144	92-	506-	436	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	123,457	125,144	124,908	124,494	125,436	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 14,542,934	$ 13,420,908	$ 13,932,607	$ 13,248,045	$ 15,384,274	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.65	1.44	1.70	1.56	1.63	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	-	-	14.9	16.4	30.0	43
PREFERRED STOCK	-	-	-	-	-	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	45.1	47.1	43.6	45.8	41.6	45
RETAINED EARNINGS	54.8	52.8	41.4	37.6	28.3	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	-	-	11.7	12.6	25.9	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT	39.9	39.3	38.1	37.2	35.4	48

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_ Statement of Cash Flows
St. Lawrence Gas Company, Inc.
For The Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$853,179	$1,168,804
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	562,019	537,539
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(101,673)	(132,164)
4	Deferred Taxes & ITCs	178,761	(26,005)
5	Current Income Taxes & Other Taxes Payable	(52,086)	190,223
6	Interest Payable	(613)	919
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	613,637	279,373
10	Total Adjustments	1,200,045	849,885
11	Net Cash From Operating Activities	2,053,224	2,018,689
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(921,061)	(771,757)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co'	(1,693)	
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	55,029	32,079
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(867,725)	(739,678)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt		(1,488,000)
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid	(435,000)	(435,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(435,000)	(1,923,000)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	750,499	(643,989)
32	Cash & Cash Equivalents At Beginning Of Year	885,757	1,529,746
33	Cash & Cash Equivalents At End Of Year	$1,636,256	$885,757

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 27,539,110	$ 26,367,243	$ 25,458,695	$ 28,795,888	$ 36,862,813	1
OPERATION AND MAINTENANCE EXPENSE	23,921,641	22,726,604	21,814,010	24,884,055	32,692,801	2
DEPRECIATION EXPENSE	364,009	345,401	335,171	348,203	354,497	3
AMORTIZATION	2,799	1,452	1,227	8,822	10,067	4
TAXES OTHER THAN INCOME TAXES	1,909,175	1,875,105	1,797,323	1,861,172	2,120,281	5
INCOME TAXES	645,787	449,163	479,206	635,032	382,060	6
PROVISION FOR DEFERRED INCOME TAXES	481,033	370,692	252,119	378,044	519,757	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	735,121-	396,757-	135,380-	319,082-	266,935-	8
MISC. ADJUSTMENTS OF INCOME TAXES	4,740	4,740	4,740	4,741	4,740	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	26,594,063	25,376,401	24,548,416	27,800,988	35,817,268	12
NET OPERATING REVENUES	945,047	990,842	910,279	994,900	1,045,545	13
INC. - LEASED PLT. & OTHER OPER. INC	-	-	-	-	-	14
GAS OPERATING INCOME	945,047	990,842	910,279	994,900	1,045,545	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	945,047	990,842	910,279	994,900	1,045,545	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	278,560	249,942	220,879	219,091	191,436	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	2,618	731	189	357-	3,068-	21
INTEREST AND DIVIDEND INCOME	210,827	112,712	110,745	83,388	200,615	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	492,005	363,385	331,813	302,122	388,983	26
TOTAL INCOME	1,437,052	1,354,227	1,242,092	1,297,022	1,434,528	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	11,489	7,530	7,588	6,207	10,384	28
INCOME TAXES-NONOPERATING	134,125	109,851	125,111	132,632	192,920	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,550	6,650	7,600	6,535	6,625	32
TOTAL INCOME DEDUCTIONS	152,164	124,031	140,299	145,374	209,929	33
INCOME BEFORE INTEREST CHARGES	1,284,888	1,230,196	1,101,793	1,151,648	1,224,599	34
INTER[illegible] CHARGES:						
INTEREST ON LONG-TERM DEBT	-	39,060	80,010	83,790	207,570	35
AMORT. OF DEBT DISCOUNT + EXPENSE	-	2,551	5,102	5,102	5,101	36
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	29,567	19,049	12,997	27,069	55,526	39
TOTAL INTEREST CHARGES	29,567	60,660	98,109	115,961	268,197	40
INCOME BEFORE EXTRAORDINARY ITEMS	1,255,321	1,169,536	1,003,684	1,035,687	956,402	41
EXTRAORDINARY ITEMS - NET	402,142-	-	-	-	-	42
NET INCOME	$ 853,179	$ 1,169,536	$ 1,003,684	$ 1,035,687	$ 956,402	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 4,865,047	$ 4,131,243	$ 3,562,748	$ 2,961,704	$ 2,545,984	44
BALANCE TRANSFERRED FROM INCOME	850,561	1,168,804	1,003,495	1,036,044	959,470	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	47
-COMMON STOCK	435,000	435,000	435,000	435,000	543,750	48
ADJUSTMENTS	-	-	-	-	-	49
BALANCE END OF YEAR	5,280,608	4,865,047	4,131,243	3,562,748	2,961,704	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	2,465-	5,083-	5,814-	6,003-	5,646-	52
TOTAL END OF YEAR	$ 5,278,143	$ 4,859,964	$ 4,125,429	$ 3,556,745	$ 2,956,058	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.0	4.4	3.9	3.5	2.5	55
PRETAX COVERAGE OF INTEREST CHARGES	61.4	29.1	18.6	17.1	7.7	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	50.9	37.1	43.3	42.0	56.8	57
RETURN ON COMMON EQUITY	9.0	13.2	12.2	13.6	13.4	58

ST. LAWRENCE GAS COMPANY, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	REVENUES:					
1	RESIDENTIAL	$ 6,786,580	$ 6,256,526	$ 5,900,289	$ 7,125,747	$ 7,464,433
2	COMMERCIAL AND INDUSTRIAL	20,713,082	20,060,370	19,526,286	21,625,924	29,354,670
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	27,499,662	26,316,896	25,426,575	28,751,671	36,819,103
6	RESALE	-	-	-	-	-
7	TOTAL REVENUES FROM SALES OF GAS	27,499,662	26,316,896	25,426,575	28,751,671	36,819,103
8	OTHER GAS OPERATING REVENUES	39,448	50,347	32,120	44,217	43,710
9	TOTAL GAS OPERATING REVENUES	$ 27,539,110	$ 26,367,243	$ 25,458,695	$ 28,795,888	$ 36,862,813
	GAS SALES (MCF):					
10	RESIDENTIAL	1,624,365	1,504,259	1,386,104	1,429,932	1,375,234
11	COMMERCIAL AND INDUSTRIAL	6,622,497	6,545,240	6,158,503	5,953,514	6,537,017
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	8,246,862	8,049,499	7,544,607	7,383,446	7,912,251
15	RESALE	-	-	-	-	-
16	TOTAL GAS SALES	8,246,862	8,049,499	7,544,607	7,383,446	7,912,251
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	10,415	10,173	9,935	9,740	9,556
18	COMMERCIAL AND INDUSTRIAL	1,231	1,185	1,157	1,107	1,075
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	11,646	11,358	11,092	10,847	10,631
22	RESALE	-	-	-	-	-
23	TOTAL CUSTOMERS	11,646	11,358	11,092	10,847	10,631

GAS OPERATING REVENUE RELATIONSHIPS

LINE NO.	ITEM	1989	1988	1987	1986	1985
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 651.62	$ 615.01	$ 593.89	$ 731.60	$ 781.13
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	156	148	140	147	144
26	AVERAGE REVENUE PER MCF SOLD	$ 4.18	$ 4.16	$ 4.26	$ 4.98	$ 5.43
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 16,826.22	$ 16,928.58	$ 16,876.65	$ 19,535.61	$ 27,306.67
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	5,380	5,523	5,323	5,378	6,081
29	AVERAGE REVENUE PER MCF SOLD	$ 3.13	$ 3.06	$ 3.17	$ 3.63	$ 4.49

GAS OPERATION AND MAINTENANCE EXPENSES

LINE NO.	ITEM	1989	1988	1987	1986	1985
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	-	-	-	-	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	20,983,296	20,222,944	19,620,382	22,739,001	31,085,800
35	OTHER	784,733	421,480	119,393	149,135	322,058-
36	TOTAL PRODUCTION EXPENSE	21,768,029	20,644,424	19,739,775	22,888,136	30,763,742
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	803,409	848,254	767,595	739,776	704,662
42	CUSTOMER ACCOUNTS EXPENSES	348,570	324,809	316,525	306,445	308,674
43	SALES EXPENSES	145,354	136,546	131,366	117,230	110,060
44	ADMINISTRATIVE AND GENERAL EXPENSES	856,279	772,571	858,749	832,468	805,663
45	TOTAL O & M EXPENSES	$ 23,921,641	$ 22,726,604	$ 21,814,010	$ 24,884,055	$ 32,692,801

ST. LAWRENCE GAS COMPANY, INC.
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 27,539,110	$ 26,367,243	$ 25,458,695	$ 28,795,888	$ 36,862,813	1
SALES (MCF)	8,246,862	8,049,499	7,544,607	7,383,446	7,912,251	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 21,768,029	$ 20,644,424	$ 19,739,775	$ 22,888,136	$ 30,763,742	3
WAGES AND BENEFITS	1,499,134	1,432,550	1,426,493	1,388,224	1,361,779	4
OTHER OPERATION AND MAINTENANCE EXPENSES	654,478	649,630	647,742	607,695	567,280	5
DEPR. AND AMORT. EXPENSES	366,808	346,853	336,398	357,025	354,564	6
INCOME TAXES - OPERATING	396,439	427,838	600,685	698,735	639,622	7
OTHER TAXES - OPERATING	1,909,175	1,875,105	1,797,323	1,861,172	2,120,281	8
*INTEREST CHARGES **	29,567	60,660	98,109	115,961	268,197	9
*PREFERRED DIVIDENDS **	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	915,480	930,182	812,170	878,939	777,348	11
TOTAL	$ 27,539,110	$ 26,367,243	$ 25,458,695	$ 28,795,888	$ 36,862,813	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	79.0	78.3	77.5	79.5	83.5	13
WAGES AND BENEFITS	5.4	5.4	5.6	4.8	3.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	2.4	2.5	2.5	2.1	1.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	1.3	1.3	1.3	1.2	1.0	16
INCOME TAXES - OPERATING	1.4	1.6	2.4	2.4	1.7	17
OTHER TAXES - OPERATING	6.9	7.1	7.1	6.5	5.8	18
*INTEREST CHARGES **	0.1	0.2	0.4	0.4	0.7	19
*PREFERRED DIVIDENDS**	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.3	3.5	3.2	3.1	2.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 2.64	$ 2.56	$ 2.62	$ 3.10	$ 3.89	23
WAGES AND BENEFITS	0.18	0.18	0.19	0.19	0.17	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.08	0.08	0.09	0.08	0.07	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.04	0.04	0.04	0.05	0.05	26
INCOME TAXES - OPERATING	0.05	0.05	0.08	0.09	0.08	27
OTHER TAXES - OPERATING	0.23	0.23	0.24	0.25	0.27	28
*INTEREST CHARGES **	-	0.01	0.01	0.02	0.03	29
*PREFERRED DIVIDENDS **	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.11	0.12	0.11	0.12	0.10	31
TOTAL	$ 3.34	$ 3.28	$ 3.37	$ 3.90	$ 4.66	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

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SYRACUSE SUBURBAN GAS COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF GAS PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 8,650,777	$ 8,287,917	$ 7,777,433	$ 7,045,757	$ 6,456,148
2	ACCUM. PROV. FOR DEPR. AND AMORT.	1,928,606	1,802,950	1,687,217	1,629,698	1,470,517
3	NET GAS UTILITY PLANT	6,722,171	6,484,967	6,090,216	5,416,059	4,985,631
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROV. FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	8,650,777	8,287,917	7,777,433	7,045,757	6,456,148
8	ACCUM. PROV. FOR DEPR. AND AMORT.	1,928,606	1,802,950	1,687,217	1,629,698	1,470,517
9	NET TOTAL UTILITY PLANT	6,722,171	6,484,967	6,090,216	5,416,059	4,985,631
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPR. AND AMORT.	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	769,766	1,600,224	995,241	89,380	86,256
17	SPECIAL DEPOSITS	10,000	-	2,700	-	-
18	WORKING FUNDS	2,900	2,700	-	2,700	2,700
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	1,553,425	1,192,002	1,179,924	1,356,943	2,292,535
21	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	159-
22	MATERIALS AND SUPPLIES	267,142	219,606	212,990	162,680	142,188
23	GAS STORED UNDERGROUND - CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	210,698	241,901	207,775	208,968	154,887
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	2,813,931	3,256,433	2,598,630	1,820,671	2,678,407
28	UNAMORTIZED DEBT EXPENSE	11,466	14,056	16,645	19,235	21,825
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	14,421	17,311	7,630	13,075	2,923-
32	DEFERRED LOSSES - DISP. OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPEMENT	-	-	-	-	-
34	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	577,048	104,584-	406,492-	278,446-	37,673
36	TOTAL DEFERRED DEBITS	602,935	73,217-	382,217-	246,136-	56,575
37	TOTAL ASSETS AND OTHER DEBITS	$ 10,139,037	$ 9,668,183	$ 8,306,629	$ 6,990,594	$ 7,720,613
	GAS UTILITY PLANT*					
38	INTANGIBLE PLANT	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333
	PRODUCTION PLANT:					
39	MANUFACTURED GAS PLANT	-	-	-	-	-
40	NATURAL GAS PLANT	114,553	114,553	116,154	124,154	131,778
41	NATURAL GAS STORAGE PLANT					
42	UNDERGROUND STORAGE PLANT	-	-	-	-	-
43	OTHER STORAGE PLANT	-	-	-	-	-
44	TRANSMISSION PLANT	-	-	-	-	-
45	DISTRIBUTION PLANT	7,589,742	7,191,221	6,563,749	6,065,392	5,529,539
46	GENERAL PLANT	932,891	942,524	833,992	838,231	770,766
47	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
48	EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
49	GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-
50	TOTAL GAS PLANT IN SERVICE	8,640,519	8,251,630	7,517,228	7,031,110	6,435,416
51	PLANT LEASED TO OTHERS	-	-	-	-	-
52	PLANT HELD FOR FUTURE USE	8,898	8,898	8,898	8,898	8,898
53	CONSTRUCTION WORK IN PROGRESS	1,361	27,389	251,306	5,749	11,835
54	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
55	TOTAL GAS UTILITY PLANT	8,650,777	8,287,917	7,777,433	7,045,757	6,456,148
56	ACCUM. PROV. FOR DEPR. AND AMORT.	1,928,606	1,802,950	1,687,217	1,629,698	1,470,517
57	NET GAS UTILITY PLANT	6,722,171	6,484,967	6,090,216	5,416,059	4,985,631
	PLANT IN SERVICE:					
58	BEGINNING OF YEAR	8,251,631	7,517,228	7,031,110	6,435,416	5,887,413
59	ADDITIONS	561,279	872,454	681,002	668,938	633,475
60	RETIREMENTS	172,391	138,052	194,884	73,244	85,472
61	TRANSFERS AND ADJUSTMENTS	-	-	-	-	-
62	END OF YEAR	$ 8,640,518	$ 8,251,630	$ 7,517,229	$ 7,031,110	$ 6,435,415

*EXCLUDES ALLOCATION OF COMMON PLANT

SYRACUSE SUBURBAN GAS COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON STOCK ISSUED	$ 420.000	$ 420.000	$ 420.000	$ 420,000	$ 420.000	1
PREFERRED STOCK ISSUED	284.225	284.225	284.225	284.225	284.225	2
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	3
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	4
PREMIUM ON CAPITAL STOCK	3.701	3.701	3.701	3.701	3.701	5
OTHER PAID-IN CAPITAL	300	300	300	300	300	6
INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-	8
RETAINED EARNINGS	2,779,892	2,655,447	2.491,909	2,382,193	2,142,416	9
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	10
REACQUIRED CAPITAL STOCK	10,325-	10,325-	10,325-	10,325-	10,325-	11
TOTAL PROPRIETARY CAPITAL	3,465,070	3,340,625	3,177,087	3,067,371	2,827,595	12
BONDS (LESS BONDS REACQUIRED)	2,820,000	3,168,333	766,666	860,000	953,334	13
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	14
OTHER LONG-TERM DEBT	-	-	-	-	-	15
NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-	16
TOTAL LONG TERM DEBT	2,820,000	3,168,333	766,666	860,000	953,334	17
NOTES PAYABLE	-	-	1,150,000	700,000	700,000	18
ACCOUNTS PAYABLE	2,435,985	1,600,726	1,920,237	1,373,771	2,178,096	19
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	20
CUSTOMER DEPOSITS	251,438	260,615	227,002	189,565	130,660	21
TAXES ACCRUED	59,440	33,323	89,188	13,445	56,298	22
INTEREST ACCRUED	25,072	35,582	15,003	16,228	14,355	23
DIVIDENDS DECLARED	3,595	3,595	3,595	-	3,595	24
TAX COLLECTIONS PAYABLE	52,141	45,504	33,527	40,732	49,652	25
OTHER CURRENT AND ACCRUED LIABILITIES	288,652	543,236	387,681	250,231	400,956	26
TOTAL CURRENT AND ACCRUED LIABILITIES	3,116,323	2,522,581	3,826,233	2,583,972	3,533,612	27
CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	28
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-	29
ACCUM. DEFERRED INVESTMENT TAX CREDITS	200,673	206,608	213,480	223,362	223,714	30
OTHER DEFERRED CREDITS	-	-	-	-	-	31
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORTIZATION	-	-	-	-	144,415	32
LIBERALIZED DEPRECIATION	467,340	383,303	299,383	222,883	37,943	33
OTHER	69,631	46,733	23,780	33,006	-	34
TOTAL DEFERRED CREDITS	737,644	636,644	536,643	479,251	406,072	35
PROPERTY INSURANCE RESERVE	-	-	-	-	-	36
INJURIES AND DAMAGE RESERVES	-	-	-	-	-	37
PENSION AND BENEFITS RESERVE	-	-	-	-	-	38
MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-	39
TOTAL OPERATING RESERVES	-	-	-	-	-	40
TOTAL LIABILITIES AND OTHER CREDITS	$ 10,139,037	$ 9,668,183	$ 8,306,629	$ 6,990,594	$ 7,720,613	41
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.90	1.29	0.68	0.70	0.76	42
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	44.8	48.6	19.4	21.8	25.2	43
PREFERRED STOCK	4.5	4.3	7.2	7.2	7.5	44
COMMON STOCK AND OTHER PAID-IN CAPITAL	6.3	6.1	10.1	10.2	10.6	45
RETAINED EARNINGS	44.2	40.7	63.1	60.6	56.6	46
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	32.5	38.2	9.8	12.2	14.7	47
ACCUM. PROV. FOR DEPR.: % OF UTILITY PLT.	22.2	21.7	21.6	23.1	22.7	48

Statement of Cash Flows
Syracuse Suburban Gas Co., Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$348,826	$345,919
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	280,692	259,745
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	171,716	(182,650)
4	Deferred Taxes & ITCs	101,000	100,001
5	Current Income Taxes & Other Taxes Payable	32,754	(43,888)
6	Interest Payable	(10,510)	20,579
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	11,826	(312,102)
10	Total Adjustments	587,478	(158,315)
11	Net Cash From Operating Activities	936,304	187,604
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(540,349)	(651,906)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	25,043	
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	(678,742)	
22	Net Cash From Investing Activities	(1,194,048)	(651,906)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(348,333)	2,401,667
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid	(224,381)	(182,381)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		(1,150,000)
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(572,714)	1,069,286
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(830,458)	604,984
32	Cash & Cash Equivalents At Beginning Of Year	1,600,224	995,241
33	Cash & Cash Equivalents At End Of Year	$769,766	$1,600,225

SYRACUSE SUBURBAN GAS COMPANY, INC.
COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS OPERATING INCOME:						
OPERATING REVENUES	$ 10,713,918	$ 11,660,220	$ 12,742,956	$ 16,702,570	$ 21,011,694	1
OPERATION AND MAINTENANCE EXPENSE	8,858,679	9,914,288	11,022,523	14,782,060	19,023,525	2
DEPRECIATION EXPENSE	228,073	215,294	202,947	181,530	162,579	3
AMORTIZATION	135	1,601	11,330	10,698	7,734	4
TAXES OTHER THAN INCOME TAXES	753,973	742,699	728,875	936,003	1,106,292	5
INCOME TAXES	172,922	146,234	202,324	197,862	311,019	6
PROVISION FOR DEFERRED INCOME TAXES	135,107	142,004	78,588	78,467	47,408	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	28,172-	35,132-	11,313-	4,936-	130,826-	8
MISC. ADJUSTMENTS OF INCOME TAXES	350-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	10,120,367	11,126,987	12,235,274	16,181,684	20,527,729	12
NET OPERATING REVENUES	593,551	533,233	507,682	520,886	483,965	13
INC. - LEASED PLT. & OTHER OPER. INC.	-	-	-	-	-	14
GAS OPERATING INCOME	593,551	533,233	507,682	520,886	483,965	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	593,551	533,233	507,682	520,886	483,965	17
OTHER INCOME:						
MERCH., JOBBING AND CONTRACT WORK	373	365	4-	556	1,103	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	111,050	31,498	26,554	43,399	80,885	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	147-	73-	220-	147-	147-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	111,276	31,790	26,330	43,808	81,841	26
TOTAL INCOME	704,827	565,023	534,012	564,694	565,806	27
INCOME DEDUCTIONS:						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	5,935-	6,872-	9,882-	10,073-	8,774-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	9,590	2,922	4,862	3,955	-	32
TOTAL INCOME DEDUCTIONS	3,655	3,950-	5,020-	6,118-	8,774-	33
INCOME BEFORE INTEREST CHARGES	701,172	568,973	539,032	570,812	574,580	34
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	294,769	98,113	88,383	97,045	106,816	35
AMORT. OF DEBT DISCOUNT + EXPENSE	2,590	2,590	2,590	2,590	2,590	36
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	122,351	-	-	-	38
OTHER INTEREST EXPENSE	54,987	-	95,420	94,616	133,883	39
TOTAL INTEREST CHARGES	352,346	223,054	186,393	194,251	243,289	40
INCOME BEFORE EXTRAORDINARY ITEMS	348,826	345,919	352,639	376,561	331,291	41
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	42
NET INCOME	$ 348,826	$ 345,919	$ 352,639	$ 376,561	$ 331,291	43
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 2,655,447	$ 2,491,909	$ 2,382,193	$ 2,142,417	$ 1,993,506	44
BALANCE TRANSFERRED FROM INCOME	348,826	345,919	352,639	376,561	331,291	45
APPROPRIATIONS	-	-	-	-	-	46
DIVIDENDS DECLARED-PREFERRED STOCK	14,381	14,381	17,976	10,785	14,381	47
-COMMON STOCK	210,000	168,000	168,000	126,000	168,000	48
ADJUSTMENTS	-	-	56,947-	-	-	49
BALANCE END OF YEAR	2,779,892	2,655,447	2,491,909	2,382,193	2,142,416	50
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	51
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	52
TOTAL END OF YEAR	$ 2,779,892	$ 2,655,447	$ 2,491,909	$ 2,382,193	$ 2,142,416	53
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES / % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.2	2.9	2.7	2.2	1.5	55
PRETAX COVERAGE OF INTEREST CHARGES	2.8	3.7	4.3	4.3	3.3	56
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	62.7	50.6	50.1	34.4	53.0	57
RETURN ON COMMON EQUITY	10.7	11.1	11.7	13.7	12.8	58

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SYRACUSE SUBURBAN GAS COMPANY, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES					
1	RESIDENTIAL	$ 2,379,615	$ 2,221,301	$ 2,096,031	$ 2,370,217	$ 2,269,277
2	COMMERCIAL AND INDUSTRIAL	6,401,436	7,099,740	8,768,604	13,855,596	18,672,394
3	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
4	INTERDEPARTMENTAL	-	-	-	-	-
5	TOTAL REVENUES - ULTIMATE CONSUMERS	8,781,051	9,321,041	10,864,635	16,225,813	20,941,671
6	RESALE	84,297	43,349	36,700	41,443	32,888
7	TOTAL REVENUES FROM SALES OF GAS	8,865,348	9,364,390	10,901,335	16,267,256	20,974,559
8	OTHER GAS OPERATING REVENUES	1,848,570	2,295,830	1,841,621	435,312	37,136
9	TOTAL GAS OPERATING REVENUES	$ 10,713,918	$ 11,660,220	$ 12,742,956	$ 16,702,568	$ 21,011,695
	GAS SALES (MCF):					
10	RESIDENTIAL	393,300	393,744	378,067	408,987	396,330
11	COMMERCIAL AND INDUSTRIAL	1,179,628	1,456,846	1,912,347	3,019,300	4,094,375
12	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
13	INTERDEPARTMENTAL	-	-	-	-	-
14	TOTAL SALES TO ULTIMATE CONSUMERS	1,572,930	1,850,591	2,290,415	3,428,288	4,490,705
15	RESALE	17,440	10,364	9,272	10,299	7,638
16	TOTAL GAS SALES	1,590,370	1,860,955	2,299,687	3,438,587	4,498,343
	CUSTOMERS - AVERAGE PER MONTH:					
17	RESIDENTIAL	3,252	3,259	3,204	3,190	3,132
18	COMMERCIAL AND INDUSTRIAL	1,158	1,084	1,026	992	935
19	OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-
20	INTERDEPARTMENTAL	-	-	-	-	-
21	TOTAL ULTIMATE CONSUMERS	4,410	4,343	4,230	4,182	4,067
22	RESALE	1	1	1	1	1
23	TOTAL CUSTOMERS	4,411	4,344	4,231	4,183	4,068
	GAS OPERATING REVENUE RELATIONSHIPS					
	RESIDENTIAL SALES:					
24	AVERAGE ANNUAL BILL PER CUSTOMER	$ 731.74	$ 681.59	$ 654.19	$ 743.01	$ 724.55
25	AVERAGE MCF CONSUMPTION PER CUSTOMER	121	121	118	128	127
26	AVERAGE REVENUE PER MCF SOLD	$ 6.05	$ 5.64	$ 5.54	$ 5.80	$ 5.73
	COMMERCIAL AND INDUSTRIAL SALES:					
27	AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,528.01	$ 6,549.58	$ 8,546.40	$ 13,967.33	$ 19,970.47
28	AVERAGE MCF CONSUMPTION PER CUSTOMER	1,019	1,344	1,864	3,044	4,379
29	AVERAGE REVENUE PER MCF SOLD	$ 5.43	$ 4.87	$ 4.59	$ 4.59	$ 4.56
	GAS OPERATION AND MAINTENANCE EXPENSES					
	PRODUCTION EXPENSES:					
	MANUFACTURED GAS					
30	STEAM	-	-	-	-	-
31	MANUFACTURED GAS	-	-	-	-	-
	NATURAL GAS					
32	PRODUCTION AND GATHERING	135	798	-	1,046	-
33	EXPLORATION AND DEVELOPMENT					
	OTHER GAS SUPPLY EXPENSES					
34	PURCHASED GAS	7,597,769	8,657,855	9,848,084	13,714,649	17,968,478
35	OTHER	4,951-	4,239-	3,579-	4,358-	4,844-
36	TOTAL PRODUCTION EXPENSE	7,592,953	8,654,414	9,844,505	13,711,337	17,963,634
	NATURAL GAS STORAGE EXPENSES:					
37	UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
38	OTHER STORAGE EXPENSES	-	-	-	-	-
39	TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-
40	TRANSMISSION EXPENSES	-	-	-	-	-
41	DISTRIBUTION EXPENSES	459,855	485,872	465,648	419,704	425,449
42	CUSTOMER ACCOUNTS EXPENSES	181,802	175,700	146,906	149,188	144,683
43	SALES EXPENSES	23,089	22,462	24,049	25,100	24,760
44	ADMINISTRATIVE AND GENERAL EXPENSES	600,980	575,840	541,417	476,731	464,999
45	TOTAL O & M EXPENSES	$ 8,858,679	$ 9,914,288	$ 11,022,523	$ 14,782,060	$ 19,023,525

SYRACUSE SUBURBAN GAS COMPANY, INC.
DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 10,713,918	$ 11,660,220	$ 12,742,956	$ 16,702,570	$ 21,011,694	1
SALES (MCF)	1,590,370	1,860,955	2,299,687	3,438,587	4,498,343	2
			DOLLAR AMOUNTS			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 7,592,818	$ 8,653,616	$ 9,844,505	$ 13,710,291	$ 17,963,634	3
WAGES AND BENEFITS	704,557	711,827	627,165	594,124	571,423	4
OTHER OPERATION AND MAINTENANCE EXPENSES	561,304	548,845	550,853	477,645	488,468	5
DEPR. AND AMORT. EXPENSES	228,208	216,895	214,277	192,228	170,313	6
INCOME TAXES - OPERATING	279,507	253,106	269,599	271,393	227,601	7
OTHER TAXES - OPERATING	753,973	742,699	728,875	936,003	1,106,292	8
*INTEREST CHARGES **	352,346	223,054	186,393	194,251	243,289	9
*PREFERRED DIVIDENDS **	14,381	14,381	17,976	10,785	14,381	10
EARNINGS AVAILABLE FOR COMMON EQUITY	226,824	295,798	303,313	315,850	226,295	11
TOTAL	$ 10,713,918	$ 11,660,220	$ 12,742,956	$ 16,702,570	$ 21,011,694	12
			PERCENT OF REVENUES			
PURCHASED GAS & OTHER SUPPLY EXPENSE	70.9	74.2	77.3	82.1	85.5	13
WAGES AND BENEFITS	6.6	6.1	4.9	3.6	2.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	5.2	4.7	4.3	2.9	2.3	15
DEPRECIATION AND AMORTIZATION EXPENSES	2.1	1.9	1.7	1.2	0.8	16
INCOME TAXES - OPERATING	2.6	2.2	2.1	1.6	1.1	17
OTHER TAXES - OPERATING	7.0	6.4	5.7	5.6	5.3	18
*INTEREST CHARGES **	3.3	1.9	1.5	1.2	1.2	19
*PREFERRED DIVIDENDS**	0.1	0.1	0.1	0.1	0.1	20
EARNINGS AVAILABLE FOR COMMON EQUITY	2.1	2.5	2.4	1.9	1.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
			DOLLARS PER MCF			
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.77	$ 4.65	$ 4.28	$ 3.99	$ 3.99	23
WAGES AND BENEFITS	0.44	0.38	0.27	0.17	0.13	24
OTHER OPERATION AND MAINTENANCE EXPENSES	0.35	0.29	0.24	0.14	0.11	25
DEPRECIATION AND AMORTIZATION EXPENSES	0.14	0.12	0.09	0.06	0.04	26
INCOME TAXES - OPERATING	0.18	0.14	0.12	0.08	0.05	27
OTHER TAXES - OPERATING	0.47	0.40	0.32	0.27	0.25	28
*INTEREST CHARGES **	0.22	0.12	0.08	0.06	0.05	29
*PREFERRED DIVIDENDS **	0.01	0.01	0.01	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	0.14	0.16	0.13	0.09	0.05	31
TOTAL	$ 6.74	$ 6.27	$ 5.54	$ 4.86	$ 4.67	32

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

**NET OF AFC

GAS

SECTION 3

TELEPHONE SERVICE COMPANIES

Balance Sheet

Asset Side

Liability Side

Statement of Cash Flows

Income Statement

Statement of Revenue Plant and Operation and Maintenance

Distribution of Revenues

ALLTEL New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$262,090	$206,827
2	Special Cash Deposits		
3	Working Cash Advances	26,870	49,568
4	Temporary Investments		
5	Total Cash and Equivalents	$288,960	$256,395
6	Tel. Accounts Rec.(net)	$4,886,902	$4,186,380
7	Accts.Rec.- Affiliated Cos.	244,561	1,019,940
8	Accounts Rec. - Other	3,439,778	3,697,072
9	Accts. Rec. Allow. - Affil. & Other	(12,952)	(15,206)
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$8,558,289	$8,888,186
15	Inventories	$877,260	$1,179,583
16	Prepayments	1,069,113	1,037,454
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$10,793,622	$11,361,618
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments	619,165	855,377
23	Unamortized Debt Issuance Expense	249,082	179,783
24	Sinking Funds & Other Noncurrent	28,615	14,039
25	Deferred Maintenance & Retirements		
26	Deferred Charges	193,949	108,659
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$1,090,811	$1,157,858
	REGULATED PLANT		
30	Tel. Plant in Service	$130,573,505	$125,032,267
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	3,531,573	2,246,260
33	- Long Term		4,473
34	Telecommunications Plant Adjustment	148,560	148,560
35	Nonoperating Plant	36,008	36,008
36	Goodwill		
37	Total Telecommunications Plant	$134,289,646	$127,467,568
38	Less Depreciation & Amortization	41,319,226	39,811,236
39	Net Telecommunications Plant	$92,970,420	$87,656,332
40	Total Assets and Other Debits	$104,854,853	$100,175,808

ALLTEL New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$534,104	$951,054
2	Accounts Payable - Other	3,717,403	4,421,827
3	Notes Payable - Affiliated Cos.	4,535,361	13,597,183
4	Notes Payable - Other		
5	Advance Billing & Payments	804,470	782,798
6	Customers' Deposits	150,133	140,002
7	Current Maturities - LT Debt	2,677,000	3,145,000
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	323,006	135,889
10	Other Taxes - Accrued	125,725	167,035
11	Current Def. Op. Inc. Taxes - Cr.		(121,495)
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	2,695,047	2,646,365
14	Total Current Liabilities	15,562,249	25,865,658
	LONG-TERM DEBT		
15	Funded Debt	33,682,000	20,359,000
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	33,682,000	20,359,000
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net		
24	Unamortized Nonoper. ITC - net	3,010,834	3,359,498
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	9,645,779	9,420,859
26	Nonoperating Income Taxes - cr.	(12,627)	
27	Other Deferred Credits	135,339	116,868
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	12,779,325	12,897,225
	STOCKHOLDER'S EQUITY		
30	Common Stock	16,645,493	16,645,493
31	Preferred Stock	3,200,000	3,450,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	4,511,531	4,511,531
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	18,474,555	16,446,861
38	Total Stockholder's Equity	42,831,579	41,053,885
39	Total Liabilities & Other Credits	$104,855,153	$100,175,768

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ALLTEL New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$44,798,511	$41,425,693
2	Operating Expenses	28,081,134	26,272,520
3	Net Operating Revenues	$16,717,377	$15,153,173
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		1,269
8	Other	9,471	18,806
9	Total Other Op. Income & Expenses	$9,471	$20,075
	OPERATING TAXES		
10	Investment Tax Credits - Net		
11	Federal Income Taxes	2,238,111	2,081,752
12	State & Local Income Taxes		
13	Other Taxes	4,776,220	4,580,976
14	Provision-Deferred Op.Income Taxes-Net	457,468	708,042
15	Total Operating Taxes	$7,471,799	$7,370,770
16	Net Operating Income	$9,255,049	$7,802,478
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	55,929	77,357
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	211,944	268,638
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(2,166)
24	Special Charges	(25,075)	(34,516)
25	Total Nonop.Income & Expenses	$242,798	$309,313

ALLTEL New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($361,159)	($348,264)
2	Federal Income Taxes	31,553	532
3	State & Local Taxes		
4	Other Taxes		(3,568)
5	Prov. -Def. Income Taxes-Net	(10,245)	10,202
6	Total Nonoperating Taxes	($339,851)	($341,098)
7	Total Nonoperating Income	582,649	650,411
8	Income Available- Fixed Charges	$9,837,698	$8,452,889
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	2,722,652	2,686,249
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	26,135	34,392
12	Other Interest Deductions	1,168,690	970,510
13	Total	$3,917,477	$3,691,151
14	Income Before Extraordinary Items	$5,920,221	$4,761,738
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$5,920,221	$4,761,738
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	16,446,861	15,392,738
21	Transferred from Income	5,920,221	4,761,738
22	Appropriations		
23	Dividends Dec.- Preferred Stock	338,544	302,915
24	- Common Stock	3,553,983	3,404,700
25	Adjustments		
26	Balance End of Year	$18,474,555	$16,446,861
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$18,474,555	$16,446,861
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

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ALLTEL New York, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$5,920,221	$4,761,738
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	7,995,807	7,597,099
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(844,402)	1,683,174
4	Deferred Taxes & ITCs	(136,371)	561,638
5	Current Income & Other Taxes Payable	267,302	140,197
6	Interest Payable	163,511	(78,014)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(211,944)	(268,638)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(170,185)	(575,582)
11	Total Adjustments	7,063,718	9,059,874
12	Net Cash From Operating Activities	12,983,939	13,821,612
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(12,838,237)	(9,891,248)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	236,212	23,445
23	Net Cash From Investing Activities	(12,602,025)	(9,867,803)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	13,323,000	(3,145,000)
25	Common Stock		
26	Preferred Stock	(250,000)	(250,000)
27	Short-term Debt	(9,529,822)	3,120,825
28	Dividends Paid	(3,892,527)	(3,707,615)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(349,349)	(3,981,790)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	32,565	(27,981)
34	Cash & Cash Equivalents At Beginning Of Year	256,395	284,376
35	Cash & Cash Equivalents At End Of Year	$288,960	$256,395

ALLTEL New York, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$21,443,516	$20,306,983
2	Network Access Services	12,788,946	11,363,821
3	Long Distance Network Services	4,387,047	3,841,293
4	Miscellaneous Revenues	6,318,431	6,055,547
5	Uncollectible Revenues	(139,429)	(141,951)
6	Total Operating Revenues	$44,798,511	$41,425,693
7	Access Lines in Service	83,258	82,131
8	Total Revenue per Access Line	$538	$504
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$87,739	$9,486
2	General Support Services	2,012,932	1,987,567
3	Central Office Switching	1,552,507	1,445,250
4	Operator Systems Expense	2,615	2,337
5	Central Office Transmission	264,408	247,907
6	Info. Origination/Termination	330,187	202,130
7	Cable & Wire Facilities	2,221,424	2,166,130
8	Total Plant Specific Operations	$6,471,812	$6,060,807
9	Other Plant, Prop, & Equip.	$59,134	$127,898
10	Network Operations	3,346,080	2,962,208
11	Access Expense		
12	Depreciation & Amortization Exp.	7,995,807	7,597,099
13	Total Plant Nonspecific Operations	$11,401,021	$10,687,205
14	Marketing Expense	$683,246	$685,999
15	Services Expense	4,233,272	4,033,622
16	Total Customer Operations	$4,916,518	$4,719,621
17	Executive & Planning	$861,927	$606,728
18	General & Administrative	4,429,856	4,198,159
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$5,291,783	$4,804,887
21	Total Operations Expenses	$28,081,134	$26,272,520

ALLTEL New York, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$18,057,558	$17,883,350
2	Central Office Assets	42,471,220	40,112,963
3	Information Origination/Termination	8,334,819	8,322,504
4	Cable And Wire Facilities	61,685,686	58,689,228
5	Amortizable Assets	24,222	24,222
6	Total Plant In Service	$130,573,505	$125,032,267
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	3,531,573	2,250,733
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant	148,560	148,560
12	Nonoperating Plant	36,008	36,008
13	Goodwill		
14	Total Telecommunications Plant	$134,289,646	$127,467,568

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.7	0.4
	Percent Of Capitalization:		
16	Long Term Debt	44.0	33.2
17	Preferred Stock	4.2	5.6
18	Common Stock & Other Paid In Capital	27.7	34.5
19	Retained Earnings	24.1	26.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	13.2	11.5
21	Pretax Coverage Of Interest Charges	3.1	2.4
22	Common Stock Dividends As A % of Earnings	60.0	71.5
23	Return On Common Equity	14.5	15.9

COMMUNICATIONS

Armstrong Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$224,700	$115,784
2	Special Cash Deposits	50	50
3	Working Cash Advances	600	600
4	Temporary Investments		
5	Total Cash and Equivalents	225,350	116,434
6	Tel. Accounts Rec.(net)	231,816	190,093
7	Accts.Rec.- Affiliated Cos.	11,922	4,210
8	Accounts Rec. - Other	177,868	169,388
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.	79	523
14	Total Receivables (net)	421,685	364,214
15	Inventories	59,013	61,214
16	Prepayments	37,387	65,012
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)	4,802	4,802
19	Total Current Assets	748,237	611,676
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	9,000	6,000
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	17,739	18,855
24	Sinking Funds & Other Noncurrent	666,279	591,687
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	7,795	5,882
29	Total Noncurrent Assets	700,813	622,424
	REGULATED PLANT		
30	Tel. Plant in Service	4,466,254	4,370,461
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	130,084	17,556
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	4,596,338	4,388,017
38	Less Depreciation & Amortization	1,976,509	1,768,457
39	Net Telecommunications Plant	2,619,829	2,619,560
40	Tota. Assets and Other Debits	$4,068,879	$3,853,660

Armstrong Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$54,677	$42,962
2	Accounts Payable - Other	104,377	73,961
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	49,167	45,695
6	Customers' Deposits		
7	Current Maturities - LT Debt	66,705	64,760
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	622	
10	Other Taxes - Accrued	5,245	4,420
11	Current Def. Op. Inc. Taxes - Cr.	72,318	801
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	46,474	43,459
14	Total Current Liabilities	399,585	276,058
	LONG-TERM DEBT		
15	Funded Debt	1,539,778	1,606,513
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	1,539,778	1,606,513
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	117,155	128,080
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	461,429	467,807
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	14,123	14,123
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	592,707	610,010
	STOCKHOLDER'S EQUITY		
30	Common Stock	243,000	243,000
31	Preferred Stock		
32	Additional Paid-in Capital	21,000	21,000
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,292,809	1,097,079
38	Total Stockholder's Equity	1,556,809	1,361,079
39	Total Liabilities & Other Credits	$4,088,879	$3,853,660

Armstrong Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,761,404	$1,391,929
2	Operating Expenses	1,195,206	1,092,953
3	Net Operating Revenues	566,198	298,976
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(10,925)	(10,595)
11	Federal Income Taxes	85,944	32,159
12	State & Local Income Taxes		
13	Other Taxes	161,865	140,550
14	Provision-Deferred Op.Income Taxes-Net	63,404	53,360
15	Total Operating Taxes	300,288	215,474
16	Net Operating Income	$265,910	$83,502
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		$14,190
18	Interest Income	12,121	
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(39,500)
24	Special Charges	(22,493)	(13,972)
25	Total Nonop.Income & Expenses	($10,372)	($39,282)

Armstrong Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	(3,010)	828
3	State & Local Taxes		
4	Other Taxes	40	
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	(2,970)	828
7	Total Nonoperating Income	(7,402)	(40,110)
8	Income Available- Fixed Charges	258,508	43,722
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	61,619	63,511
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,116	1,116
12	Other Interest Deductions	43	8
13	Total	62,778	64,635
14	Income Before Extraordinary Items	195,730	(20,913)
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		93,029
18	Total		93,029
19	NET INCOME	$195,730	$72,116
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$1,097,079	$1,024,963
21	Transferred from Income	195,730	72,116
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock		
25	Adjustments		
26	Balance End of Year	1,292,809	1,097,079
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,292,809	$1,097,079
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Armstrong Telephone Co.
Statement of Cash Flows
For the Year Ended December 31

		1989 ----	1988 ----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$195,730	$72,116
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	250,815	224,129
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(13,139)	(93,811)
4	Deferred Taxes & ITCs	52,301	43,160
5	Current Income & Other Taxes Payable	1,447	2,816
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	16,707	16,914
11	Total Adjustments	308,131	193,208
12	Net Cash From Operating Activities	503,861	265,324
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(251,298)	(265,291)
14	Acquisition Of Other Non-current Assets	(3,000)	
15	Payments - Acq. Of Other Debt & Equity Securities		(6,500)
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		36,500
20	Other Debt & Equity Investments		
21	Other Non-current Assets	(74,592)	(73,914)
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(328,890)	(309,205)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(64,790)	(62,853)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid		
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(64,790)	(62,853)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	110,181	(106,734)
34	Cash & Cash Equivalents At Beginning Of Year	116,434	222,754
35	Cash & Cash Equivalents At End Of Year	$226,615	$116,020

Armstrong Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$355,500	$350,332
2	Network Access Services	526,478	408,289
3	Long Distance Network Services	627,328	519,692
4	Miscellaneous Revenues	264,169	126,264
5	Uncollectible Revenues	(12,071)	(12,648)
6	Total Operating Revenues	$1,761,404	$1,391,929
7	Access Lines in Service	2,886	2,853
8	Total Revenue per Access Line	$610	$488
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$17,811	
2	General Support Services	57,630	29,970
3	Central Office Switching	65,379	63,559
4	Operator Systems Expense		
5	Central Office Transmission	22,753	14,207
6	Info. Origination/Termination	58,505	7,124
7	Cable & Wire Facilities	95,197	76,821
8	Total Plant Specific Operations	317,275	191,681
9	Other Plant, Prop, & Equip.		
10	Network Operations	163,990	144,892
11	Access Expense		
12	Depreciation & Amortization Exp.	249,699	223,012
13	Total Plant Nonspecific Operations	413,689	367,904
14	Marketing Expense	123	227
15	Services Expense	147,499	146,812
16	Total Customer Operations	147,622	147,039
17	Executive & Planning	112,880	164,351
18	General & Administrative	203,740	173,664
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	316,620	338,015
21	Total Operations Expenses	$1,195,206	$1,044,639

Armstrong Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$800,491	$760,616
2	Central Office Assets	1,575,575	1,577,086
3	Information Origination/Termination	196,044	180,368
4	Cable And Wire Facilities	1,894,144	1,849,391
5	Amortizable Assets		
6	Total Plant In Service	4,466,254	4,367,461
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	130,084	17,556
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$4,596,338	$4,385,017

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.9	2.2
	Percent Of Capitalization:		
16	Long Term Debt	49.7	54.1
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	8.5	8.9
19	Retained Earnings	41.7	37.0

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	11.1	5.2
21	Pretax Coverage Of Interest Charges	6.3	1.8
22	Common Stock Dividends As A % of Earnings		
23	Return On Common Equity	13.4	5.4

COMMUNICATIONS

AT&T Communications of New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS	----	----
	Cash and Equivalents		
1	Cash	($148,871,082)	$1,874,065
2	Special Cash Deposits		
3	Working Cash Advances	2,896	908
4	Temporary Investments		
5	Total Cash and Equivalents	(148,868,186)	1,874,973
6	Tel. Accounts Rec.(net)	185,190,491	181,692,154
7	Accts.Rec.- Affiliated Cos.	36,657,731	78,715,925
8	Accounts Rec. - Other	349,460,738	310,344,437
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other	115,233	34,835
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	571,424,193	570,787,351
15	Inventories	2,374,471	4,993,590
16	Prepayments	39,114,239	28,998,194
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)	1,862,478	2,340,781
19	Total Current Assets	465,907,195	608,994,889
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	5,805,400	20,748,099
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	9,192,805	10,954,314
29	Total Noncurrent Assets	14,998,205	31,702,413
	REGULATED PLANT		
30	Tel. Plant in Service	1,008,786,822	1,036,255,974
31	Property Held - Future Tel. Use		5,965,658
	Tel. Plant Under Construction:		
32	- Short Term	29,980,860	41,705,097
33	- Long Term	41,603,998	12,273,748
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	1,848,952	2,042,272
36	Goodwill		
37	Total Telecommunications Plant	1,082,220,632	1,098,242,749
38	Less Depreciation & Amortization	390,382,640	366,551,707
39	Net Telecommunications Plant	691,837,992	731,691,042
40	Total Assets and Other Debits	$1,172,743,392	$1,372,388,344

AT&T Communications of New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$33,767,553	$128,917,902
2	Accounts Payable - Other	225,720,626	289,538,331
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	11,524,584	11,836,234
6	Customers' Deposits	4,323	17,094
7	Current Maturities - LT Debt		438,287
8	Current Maturities - Capital Leases	419,104	807,552
9	Income Taxes - Accrued	2,076,192	40,337,379
10	Other Taxes - Accrued	3,155,231	5,434,461
11	Current Def. Op. Inc. Taxes - Cr.	665,078	
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	8,726,937	28,735,175
14	Total Current Liabilities	286,059,628	506,062,415
	LONG-TERM DEBT		
15	Funded Debt		
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases	610,125	750,794
19	Advances from Affil. Cos.	258,527,485	197,767,989
20	Other Long Term Debt		1,862,258
21	Total Long - Term Debt	259,137,610	200,381,041
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities	473,929	474,024
23	Unamortized Oper. ITC - net	33,532,069	39,593,444
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	129,630,336	141,269,031
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		270,745
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	163,636,334	181,607,244
	STOCKHOLDER'S EQUITY		
30	Common Stock	1,000	1,000
31	Preferred Stock		
32	Additional Paid-in Capital	318,990,844	316,062,000
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	162,891,174	168,274,644
38	Total Stockholder's Equity	481,883,018	484,337,644
39	Total Liabilities & Other Credits	$1,190,716,590	$1,372,388,344

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AT&T Communications of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,906,858,165	$2,018,908,687
2	Operating Expenses	1,722,737,076	1,815,604,847
3	Net Operating Revenues	184,121,089	203,303,840
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work	28,380	
5	Return from Nonregulated Use of Regulated Facilities	208,370	(333,898)
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	88,150	(86)
9	Total Other Op. Income & Expenses	324,900	(333,984)
	OPERATING TAXES		
10	Investment Tax Credits - Net	(4,761,537)	4,655,088
11	Federal Income Taxes	25,448,763	17,326,274
12	State & Local Income Taxes	480	
13	Other Taxes	97,222,397	127,112,538
14	Provision-Deferred Op.Income Taxes-Net	(15,023,390)	(19,515,012)
15	Total Operating Taxes	102,886,713	129,578,888
16	Net Operating Income	$81,559,276	$73,390,968
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	552,766	553,699
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	3,017,833	3,144,355
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(218,921)	
24	Special Charges	(579,604)	(386,275)
25	Total Nonop.Income & Expenses	$2,772,074	$3,311,779

AT&T Communications of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	(82,920)	(45,990)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	35	168
6	Total Nonoperating Taxes	(82,885)	(45,822)
7	Total Nonoperating Income	2,854,959	3,357,601
8	Income Available- Fixed Charges	84,414,235	76,748,569
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt		
10	Interest Expense-Capital Leases	127,412	(301,198)
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	12,520,818	15,986,366
13	Total	12,648,230	15,685,168
14	Income Before Extraordinary Items	71,766,005	61,063,401
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		(63)
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		(63)
19	NET INCOME	$71,766,005	$61,063,338
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$168,274,644	$266,238,044
21	Transferred from Income	71,766,005	61,063,338
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	76,333,000	165,239,000
25	Adjustments	(816,475)	6,212,262
26	Balance End of Year	162,891,174	168,274,644
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$162,891,174	$168,274,644
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

AT&T Communications of New York, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$71,766,005	$61,063,337
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	119,968,748	90,425,569
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(228,419,098)	(15,856,649)
4	Deferred Taxes & ITCs	(20,046,893)	(14,890,421)
5	Current Income & Other Taxes Payable		
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(3,017,833)	(3,144,355)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	643,247	(17,092,860)
11	Total Adjustments	(130,871,829)	39,441,284
12	Net Cash From Operating Activities	(59,105,824)	100,504,621
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(76,492,267)	(84,526,682)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	600,388	507,130
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(75,891,879)	(84,019,552)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(1,862,258)	(1,106)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(76,333,000)	(165,239,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.	60,759,494	74,567,141
30	Principal Payments Under Capital Leases	(422,061)	197,579
31	Other Cash Flows - Financing Activities	2,112,368	116,222,134
32	Net Cash From Financing Activities	(15,745,457)	25,746,748
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(150,743,160)	42,231,817
34	Cash & Cash Equivalents At Beginning Of Year	1,874,974	(40,356,843)
35	Cash & Cash Equivalents At End Of Year	($148,868,186)	$1,874,974

AT&T Communications of New York, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services		
2 Network Access Services		
3 Long Distance Network Services	1,838,471,166	1,966,582,674
4 Miscellaneous Revenues	104,777,952	89,623,320
5 Uncollectible Revenues	(36,390,952)	(37,297,307)
6 Total Operating Revenues	$1,906,858,166	$2,018,908,687
7 Access Lines in Service		
8 Total Revenue per Access Line		
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$304,906	$881,374
2 General Support Services	107,122,505	116,051,013
3 Central Office Switching	35,211,350	19,035,180
4 Operator Systems Expense	8,551,199	4,104,223
5 Central Office Transmission	11,375,235	28,451,623
6 Info. Origination/Termination	1,506,563	655,039
7 Cable & Wire Facilities	1,177,925	4,599,242
8 Total Plant Specific Operations	165,249,683	173,777,694
9 Other Plant, Prop, & Equip.	624,149	683,044
10 Network Operations	57,318,314	83,434,851
11 Access Expense	876,413,323	942,884,957
12 Depreciation & Amortization Exp.	121,644,095	90,425,569
13 Total Plant Nonspecific Operations	1,055,999,881	1,117,428,421
14 Marketing Expense	104,890,053	87,381,137
15 Services Expense	247,274,511	277,695,202
16 Total Customer Operations	352,164,564	365,076,339
17 Executive & Planning	3,434,394	8,471,082
18 General & Administrative	145,888,554	148,952,289
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	149,322,948	157,423,371
21 Total Operations Expenses	$1,722,737,076	$1,813,705,825

AT&T Communications of New York, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$276,901,235	$272,234,188
2 Central Office Assets	687,908,304	714,619,789
3 Information Origination/Termination	9,814,734	8,794,101
4 Cable And Wire Facilities	26,181,952	26,571,297
5 Amortizable Assets	7,980,597	6,930,863
6 Total Plant In Service	1,008,786,822	1,029,150,238
7 Property Held For Future Use		5,965,658
8 Plant Under Construction - Short & Long Term	71,584,858	53,978,845
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant	1,848,952	2,042,272
13 Goodwill		
14 Total Telecommunications Plant	$1,082,220,632	$1,091,137,013

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	1.7	1.2
Percent Of Capitalization:		
16 Long Term Debt	35.0	29.3
17 Preferred Stock		
18 Common Stock & Other Paid In Capital	43.0	46.2
19 Retained Earnings	22.0	24.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	3.8	3.0
21 Pretax Coverage Of Interest Charges	7.1	5.0
22 Common Stock Dividends As A % of Earnings	106.4	270.6
23 Return On Common Equity	14.9	12.8

COMMUNICATIONS

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Ausable Valley Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$129,938	$121,714
2	Special Cash Deposits	295	183
3	Working Cash Advances	1,000	1,000
4	Temporary Investments	5,700	16,615
5	Total Cash and Equivalents	136,933	139,512
6	Tel. Accounts Rec.(net)	357,121	251,805
7	Accts.Rec.- Affiliated Cos.	303,705	420,867
8	Accounts Rec. - Other	71,647	26,603
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	732,473	699,275
15	Inventories	64,826	144,561
16	Prepayments	77,052	64,397
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	1,011,284	1,047,745
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	208,750	208,750
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	38,876	39,879
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net	212,784	
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	460,410	248,629
	REGULATED PLANT		
30	Tel. Plant in Service	10,051,507	10,318,144
31	Property Held - Future Tel. Use	2,562	2,562
	Tel. Plant Under Construction:		
32	- Short Term	300,407	102,904
33	- Long Term		
34	Telecommunications Plant Adjustment	3,290	3,290
35	Nonoperating Plant	40,340	40,340
36	Goodwill		
37	Total Telecommunications Plant	10,398,106	10,467,240
38	Less Depreciation & Amortization	3,455,200	3,466,825
39	Net Telecommunications Plant	6,942,906	7,000,415
40	Total Assets and Other Debits	$8,414,600	$8,296,789

Ausable Valley Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$76,873	$333,680
2	Accounts Payable - Other	349,012	343,932
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	27,126	24,889
6	Customers' Deposits	13,781	7,622
7	Current Maturities - LT Debt	69,341	69,341
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	(28,812)	(17,977)
10	Other Taxes - Accrued	(13,178)	(20,539)
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	50,299	90,003
14	Total Current Liabilities	544,442	830,951
	LONG-TERM DEBT		
15	Funded Debt	3,798,284	3,868,222
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	3,798,284	3,868,222
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		317,042
23	Unamortized Oper. ITC - net	341,942	
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	396,291	332,615
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	187,100	55,966
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	925,333	705,623
	STOCKHOLDER'S EQUITY		
30	Common Stock	188,400	188,400
31	Preferred Stock	275,400	275,400
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	1,300,000	1,300,000
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,356,385	1,128,193
38	Total Stockholder's Equity	3,120,185	2,891,993
39	Total Liabilities & Other Credits	$8,388,244	$8,296,789

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Ausable Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$3,611,089	$3,161,889
2	Operating Expenses	2,522,728	2,357,264
3	Net Operating Revenues	1,088,361	804,625
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	24,900	5,000
11	Federal Income Taxes	3,510	13,772
12	State & Local Income Taxes		
13	Other Taxes	358,854	278,845
14	Provision-Deferred Op.Income Taxes-Net	63,676	34,056
15	Total Operating Taxes	450,940	331,673
16	Net Operating Income	$637,421	$472,952
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	47,155	14,481
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	2,007	15,030
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(1,109)	(1,555)
25	Total Nonop.Income & Expenses	$48,053	$27,956

Ausable Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	15,655	4,395
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	15,655	4,395
7	Total Nonoperating Income	32,398	23,561
8	Income Available- Fixed Charges	669,819	496,513
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	273,600	278,252
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,000	1,000
12	Other Interest Deductions	745	411
13	Total	275,345	279,663
14	Income Before Extraordinary Items	394,474	216,850
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$394,474	$216,850
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$1,128,193	$997,240
21	Transferred from Income	$394,474	$216,850
22	Appropriations		
23	Dividends Dec.- Preferred Stock	15,147	15,147
24	- Common Stock	151,556	70,751
25	Adjustments	420	
26	Balance End of Year	1,356,384	1,128,192
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,356,384	$1,128,192
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Ausable Valley Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$394,474	$216,850
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	754,942	756,174
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(236,497)	(91,186)
4	Deferred Taxes & ITCs	88,576	37,476
5	Current Income & Other Taxes Payable	22,882	919
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	2,007	15,030
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(93,302)	(65,732)
11	Total Adjustments	538,608	652,681
12	Net Cash From Operating Activities	933,082	869,531
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(699,440)	(1,144,522)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(699,440)	(1,144,522)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(69,938)	(133,795)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(166,703)	(85,898)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		400,000
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	420	
32	Net Cash From Financing Activities	(236,221)	180,307
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(2,579)	(94,684)
34	Cash & Cash Equivalents At Beginning Of Year	139,512	234,196
35	Cash & Cash Equivalents At End Of Year	$136,933	$139,512

Ausable Valley Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$739,163	$620,960
2	Network Access Services	1,400,483	1,218,246
3	Long Distance Network Services	1,148,104	1,053,216
4	Miscellaneous Revenues	339,792	323,602
5	Uncollectible Revenues	(16,453)	(54,135)
6	Total Operating Revenues	$3,611,089	$3,161,889
7	Access Lines in Service	5,553	5,414
8	Total Revenue per Access Line	$650	$584

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$8,625	$6,695
2	General Support Services	121,895	126,638
3	Central Office Switching	217,848	137,660
4	Operator Systems Expense		
5	Central Office Transmission	15,408	12,217
6	Info. Origination/Termination	121,375	94,875
7	Cable & Wire Facilities	249,219	222,327
8	Total Plant Specific Operations	734,370	600,412
9	Other Plant, Prop, & Equip.		
10	Network Operations	150,214	108,357
11	Access Expense		
12	Depreciation & Amortization Exp.	754,942	756,175
13	Total Plant Nonspecific Operations	905,156	864,532
14	Marketing Expense	22,045	1,440
15	Services Expense	311,699	255,995
16	Total Customer Operations	333,744	257,435
17	Executive & Planning	197,547	143,074
18	General & Administrative	351,911	485,794
19	Provision - Uncollectible Notes Rec.		-
20	Total Corporate Operations Exp.	549,458	628,868
21	Total Operations Expenses	$2,522,728	$2,351,247

Ausable Valley Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$1,244,967	$1,236,542
2 Central Office Assets	2,461,913	3,117,382
3 Information Origination/Termination	648,741	651,534
4 Cable And Wire Facilities	5,695,886	5,312,689
5 Amortizable Assets		
6 Total Plant In Service	10,051,507	10,318,147
7 Property Held For Future Use	2,562	2,562
8 Plant Under Construction - Short & Long Term	300,407	102,905
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant	3,290	3,290
12 Nonoperating Plant	40,341	40,341
13 Goodwill		
14 Total Telecommunications Plant	$10,398,107	$10,467,245

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	1.8	1.3
Percent Of Capitalization:		
16 Long Term Debt	54.9	57.2
17 Preferred Stock	4.0	4.1
18 Common Stock & Other Paid In Capital	21.5	22.0
19 Retained Earnings	19.6	16.7

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	10.9	27.0
21 Pretax Coverage Of Interest Charges	2.8	2.0
22 Common Stock Dividends As A % of Earnings	38.4	32.6
23 Return On Common Equity	13.9	8.6

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Berkshire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT ASSETS		
Cash and Equivalents		
1 Cash	$63,033	$166,322
2 Special Cash Deposits	539,018	626,263
3 Working Cash Advances	200	150
4 Temporary Investments		
5 Total Cash and Equivalents	602,251	792,735
6 Tel. Accounts Rec.(net)	240,716	242,166
7 Accts.Rec.- Affiliated Cos.		
8 Accounts Rec. - Other	165,723	115,594
9 Accts. Rec. Allow. - Affil. & Other		
10 Notes Rec. - Affiliated Cos.		
11 Notes Rec. - Other		
12 Notes Rec. Allow. Affil. & Other		
13 Interest and Dividends Rec.		
14 Total Receivables (net)	406,439	357,760
15 Inventories	160,396	152,560
16 Prepayments	120,102	115,168
17 Other Current Assets		
18 Current Deferred Inc. Taxes (Dr.)		
19 Total Current Assets	1,289,188	1,418,223
NONCURRENT ASSETS		
20 Inv. & Advances - Affiliated Cos.		
21 Investments in Nonaffiliated Cos.	188,934	191,545
22 Nonregulated Investments		
23 Unamortized Debt Issuance Expense	16,147	16,606
24 Sinking Funds & Other Noncurrent		
25 Deferred Maintenance & Retirements		
26 Deferred Charges		
27 Other Jurisdictional Assets-Net		
28 Noncurrent Deferred Inc. Taxes-Dr.		
29 Total Noncurrent Assets	205,081	208,151
REGULATED PLANT		
30 Tel. Plant in Service	7,301,844	6,410,034
31 Property Held - Future Tel. Use		
Tel. Plant Under Construction:		
32 - Short Term	34,699	204,008
33 - Long Term		
34 Telecommunications Plant Adjustment		
35 Nonoperating Plant	217,230	15,698
36 Goodwill		
37 Total Telecommunications Plant	7,553,773	6,629,740
38 Less Depreciation & Amortization	1,354,188	952,095
39 Net Telecommunications Plant	6,199,585	5,677,645
40 Total Assets and Other Debits	$7,693,854	$7,304,019

Berkshire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	333,967	331,760
3	Notes Payable - Affiliated Cos.	309,772	
4	Notes Payable - Other	18,690	385,965
5	Advance Billing & Payments		16,116
6	Customers' Deposits		1,817
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	83,587	16,192
10	Other Taxes - Accrued	2,555	5,035
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	148,645	278,580
14	Total Current Liabilities	897,216	1,035,465
	LONG-TERM DEBT		
15	Funded Debt	2,864,717	2,921,222
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,864,717	2,921,222
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	290,607	322,082
24	Unamortized Nonoper. ITC - net	9,266	10,340
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	441,924	406,384
26	Nonoperating Income Taxes - cr.		4,848
27	Other Deferred Credits	193,799	109,121
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	935,596	852,775
	STOCKHOLDER'S EQUITY		
30	Common Stock	81,160	81,160
31	Preferred Stock	121,500	121,700
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	2,793,665	2,291,697
38	Total Stockholder's Equity	2,996,325	2,494,557
39	Total Liabilities & Other Credits	$7,693,854	$7,304,019

Berkshire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$3,506,197	$3,322,524
2	Operating Expenses	2,135,842	2,024,974
3	Net Operating Revenues	1,370,355	1,297,550
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		460
9	Total Other Op. Income & Expenses		460
	OPERATING TAXES		
10	Investment Tax Credits - Net	(31,474)	50,725
11	Federal Income Taxes	232,556	126,902
12	State & Local Income Taxes		
13	Other Taxes	290,271	261,232
14	Provision-Deferred Op.Income Taxes-Net	120,218	123,396
15	Total Operating Taxes	611,571	562,255
16	Net Operating Income	$758,784	$735,755
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		$1,720
18	Interest Income	20,242	57,494
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(4,881)	(7,233)
25	Total Nonop.Income & Expenses	$15,361	$51,981

Berkshire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($1,074)	($1,074)
2	Federal Income Taxes	5,231	16,478
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(4,848)	(4,258)
6	Total Nonoperating Taxes	(691)	11,146
7	Total Nonoperating Income	16,052	40,835
8	Income Available- Fixed Charges	774,836	776,590
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	199,519	197,928
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	458	458
12	Other Interest Deductions	34,881	74,764
13	Total	234,858	273,150
14	Income Before Extraordinary Items	539,978	503,440
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$539,978	$503,440
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$2,291,697	$1,826,279
21	Transferred from Income	539,978	503,440
22	Appropriations		
23	Dividends Dec.- Preferred Stock	7,290	7,302
24	- Common Stock	30,720	30,720
25	Adjustments		
26	Balance End of Year	2,793,665	2,291,697
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$2,793,665	$2,291,697
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

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Berkshire Telephone Corporations
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$539,978	$503,440
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	499,747	438,819
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(48,255)	(7,202)
4	Deferred Taxes & ITCs	82,821	168,788
5	Current Income & Other Taxes Payable	64,915	12,240
6	Interest Payable	(286)	
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(123,626)	211,382
11	Total Adjustments	475,316	824,027
12	Net Cash From Operating Activities	1,015,294	1,327,467
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,027,793)	(923,750)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(9,688)	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	2,611	(12,871)
23	Net Cash From Investing Activities	(1,034,870)	(936,621)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(132,698)	43,358
25	Common Stock		
26	Preferred Stock	(200)	
27	Short-term Debt		(453,572)
28	Dividends Paid	(38,010)	(38,022)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(170,908)	(448,236)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(190,484)	(57,390)
34	Cash & Cash Equivalents At Beginning Of Year	792,735	850,123
35	Cash & Cash Equivalents At End Of Year	$602,251	$792,733

Berkshire Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$1,267,646	$1,289,749
2 Network Access Services	796,092	800,740
3 Long Distance Network Services	1,157,910	1,013,422
4 Miscellaneous Revenues	294,568	262,104
5 Uncollectible Revenues	(10,019)	(43,491)
6 Total Operating Revenues	$3,506,197	$3,322,524
7 Access Lines in Service	4,832	4,729
8 Total Revenue per Access Line	$726	$703
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$9,341	$10,132
2 General Support Services	80,563	49,196
3 Central Office Switching	126,664	105,981
4 Operator Systems Expense		
5 Central Office Transmission	167	
6 Info. Origination/Termination	140,998	257,454
7 Cable & Wire Facilities	270,266	217,582
8 Total Plant Specific Operations	627,999	640,345
9 Other Plant, Prop, & Equip.		
10 Network Operations	47,435	85,955
11 Access Expense		
12 Depreciation & Amortization Exp.	499,289	438,361
13 Total Plant Nonspecific Operations	546,724	524,316
14 Marketing Expense	22,903	10,453
15 Services Expense	262,348	211,147
16 Total Customer Operations	285,251	221,600
17 Executive & Planning	306,138	147,573
18 General & Administrative	369,730	491,140
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	675,868	638,713
21 Total Operations Expenses	$2,135,842	$2,024,974

Berkshire Telephone Coropration
Telecommunications Plant
For the Twelve Months Ended December 31,

TELECOMMUNICATIONS PLANT IN SERVICE

	1989	1988
1 General Support Assets	$1,388,957	$754,901
2 Central Office Assets	2,414,201	2,279,965
3 Information Origination/Termination	313,167	310,351
4 Cable And Wire Facilities	3,184,765	3,064,063
5 Amortizable Assets	754	754
6 Total Plant In Service	7,301,844	6,410,034
7 Property Held For Future Use	34,699	
8 Plant Under Construction - Short & Long Term		204,008
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant	217,230	15,698
13 Goodwill		
14 Total Telecommunications Plant	$7,553,773	$6,629,740

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	1.44	1.37
Percent Of Capitalization:		
16 Long Term Debt	48.9	53.9
17 Preferred Stock	2.1	2.2
18 Common Stock & Other Paid In Capital	1.4	1.5
19 Retained Earnings	47.7	42.3

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	15.4	15.2
21 Pretax Coverage Of Interest Charges	4.7	5.7
22 Common Stock Dividends As A % of Earnings	5.7	6.1
23 Return On Common Equity	20.3	23.2

COMMUNICATIONS

Cassadaga Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$18,337	$85,479
2	Special Cash Deposits		
3	Working Cash Advances	827	200
4	Temporary Investments	493,618	357,680
5	Total Cash and Equivalents	512,782	443,359
6	Tel. Accounts Rec.(net)	58,226	46,935
7	Accts.Rec.- Affiliated Cos.	371	8,336
8	Accounts Rec. - Other	35,714	49,331
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	94,311	104,602
15	Inventories	19,255	16,803
16	Prepayments	10,386	11,803
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	636,734	576,567
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	3,904	4,102
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	3,904	4,102
	REGULATED PLANT		
30	Tel. Plant in Service	1,333,347	1,293,202
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	11,532	11,594
33	- Long Term		
34	Telecommunications Plant Adjustment		17,500
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	1,344,879	1,322,296
38	Less Depreciation & Amortization	526,475	468,074
39	Net Telecommunications Plant	818,404	854,222
40	Total Assets and Other Debits	$1,459,042	$1,434,891

Cassadaga Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.	$14,040	$43,989
2 Accounts Payable - Other	35,419	51,622
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other		
5 Advance Billing & Payments	2,100	
6 Customers' Deposits	4,564	4,195
7 Current Maturities - LT Debt	11,468	10,911
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	(6,122)	17,849
10 Other Taxes - Accrued	2,206	1,110
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	6,152	6,856
14 Total Current Liabilities	69,827	136,532
LONG-TERM DEBT		
15 Funded Debt	404,980	416,413
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	404,980	416,413
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		65,464
23 Unamortized Oper. ITC - net	59,978	
24 Unamortized Nonoper. ITC - net		
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	99,293	73,250
26 Nonoperating Income Taxes - cr.		
27 Other Deferred Credits		
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	159,271	138,714
STOCKHOLDER'S EQUITY		
30 Common Stock	27,800	27,800
31 Preferred Stock		
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	797,164	715,432
38 Total Stockholder's Equity	824,964	743,232
39 Total Liabilities & Other Credits	$1,459,042	$1,434,891

Cassadaga Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$560,149	$538,769
2	Operating Expenses	381,337	364,255
3	Net Operating Revenues	178,812	174,514
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net		
11	Federal Income Taxes	8,190	11,290
12	State & Local Income Taxes		
13	Other Taxes	46,156	42,490
14	Provision-Deferred Op.Income Taxes-Net	26,043	28,906
15	Total Operating Taxes	80,389	82,686
16	Net Operating Income	$98,423	$91,828
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	29,639	19,986
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(18,791)	(695)
25	Total Nonop. Income & Expenses	$10,848	$19,291

Cassadaga Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($5,486)	($5,486)
2	Federal Income Taxes	3,688	6,559
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	(1,798)	1,073
7	Total Nonoperating Income	12,646	18,218
8	Income Available- Fixed Charges	111,069	110,046
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	22,455	23,283
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	198	
12	Other Interest Deductions	430	327
13	Total	23,083	23,610
14	Income Before Extraordinary Items	87,986	86,436
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$87,986	$86,436
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$715,432	$641,506
21	Transferred from Income	87,986	86,436
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	6,255	12,510
25	Adjustments		
26	Balance End of Year	797,163	715,432
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$797,163	$715,432
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Cassadaga Telephone Corp.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$87,986	$86,436
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	62,598	79,581
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(31,770)	28,200
4	Deferred Taxes & ITCs	20,557	23,420
5	Current Income & Other Taxes Payable	(22,875)	19,247
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.	17500	
10	Other Adjustments	(3,162)	(3,410)
11	Total Adjustments	42,848	147,038
12	Net Cash From Operating Activities	130,834	233,474
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(58,134)	(47,232)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	13,854	25,117
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(44,280)	(22,115)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(10,876)	(10,329)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(6,255)	(12,510)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(17,131)	(22,839)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	69,423	188,520
34	Cash & Cash Equivalents At Beginning Of Year	443,359	254,839
35	Cash & Cash Equivalents At End Of Year	$512,782	$443,359

Cassadaga Telephone Corp.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$147,814	$138,177
2 Network Access Services	204,272	185,125
3 Long Distance Network Services	170,753	180,836
4 Miscellaneous Revenues	45,896	40,487
5 Uncollectible Revenues	(8,586)	(5,856)
6 Total Operating Revenues	$560,149	$538,769
7 Access Lines in Service	1,194	1,141
8 Total Revenue per Access Line	$469	$472
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$24	$664
2 General Support Services	11,399	8,113
3 Central Office Switching	62,745	67,680
4 Operator Systems Expense		
5 Central Office Transmission	14,677	13,664
6 Info. Origination/Termination	2,143	2,594
7 Cable & Wire Facilities	22,305	32,182
8 Total Plant Specific Operations	113,293	124,897
9 Other Plant, Prop, & Equip.	134	838
10 Network Operations	29,762	28,458
11 Access Expense		
12 Depreciation & Amortization Exp.	62,598	79,260
13 Total Plant Nonspecific Operations	92,494	108,556
14 Marketing Expense	940	941
15 Services Expense	58,566	45,388
16 Total Customer Operations	59,506	46,329
17 Executive & Planning	38,226	18,475
18 General & Administrative	77,818	65,998
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	116,044	84,473
21 Total Operations Expenses	$381,337	$364,255

Cassadaga Telephone Corp.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$135,682	$136,105
2	Central Office Assets	460,917	437,227
3	Information Origination/Termination	85,568	85,568
4	Cable And Wire Facilities	651,180	634,302
5	Amortizable Assets		
6	Total Plant In Service	1,333,347	1,293,202
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	11,532	11,594
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$1,344,879	$1,304,796

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	9.1	4.2
	Percent Of Capitalization:		
16	Long Term Debt	32.9	35.9
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	2.3	2.4
19	Retained Earnings	64.8	61.7

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	15.7	16.0
21	Pretax Coverage Of Interest Charges	6.7	6.9
22	Common Stock Dividends As A % of Earnings	7.1	14.5
23	Return On Common Equity	11.2	12.2

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Champlain Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$51,314	$135,137
2	Special Cash Deposits	714	122
3	Working Cash Advances	160	160
4	Temporary Investments	755,343	902,518
5	Total Cash and Equivalents	807,531	1,037,937
6	Tel. Accounts Rec.(net)	250,188	252,706
7	Accts.Rec.- Affiliated Cos.	23,401	36,659
8	Accounts Rec. - Other	264,340	271,808
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	537,929	561,173
15	Inventories	148,717	122,536
16	Prepayments	86,354	82,568
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	1,580,531	1,804,214
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	146,247	120,937
21	Investments in Nonaffiliated Cos.	33,615	21,564
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	37,306	38,755
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	217,168	181,256
	REGULATED PLANT		
30	Tel. Plant in Service	8,058,774	7,371,709
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	71,593	23,870
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	8,130,367	7,395,579
38	Less Depreciation & Amortization	2,003,103	1,884,261
39	Net Telecommunications Plant	6,127,264	5,511,318
40	Total Assets and Other Debits	$7,924,963	$7,496,788

Champlain Telephone Company, The
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$402,778	
2	Accounts Payable - Other		249,467
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	15,842	15,700
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	19,038	(37,733)
10	Other Taxes - Accrued	7,941	(2,122)
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	38,150	39,392
14	Total Current Liabilities	483,749	264,704
	LONG-TERM DEBT		
15	Funded Debt	2,935,268	2,991,348
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,935,268	2,991,348
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	328,725	355,366
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	1,033,157	1,046,470
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	29,500	6,465
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,391,382	1,408,301
	STOCKHOLDER'S EQUITY		
30	Common Stock	210,000	210,000
31	Preferred Stock	180,300	191,300
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	2,724,264	2,431,135
38	Total Stockholder's Equity	3,114,564	2,832,435
39	Total Liabilities & Other Credits	$7,924,963	$7,496,788

Champlain Telephone Company, The
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$3,284,899	$3,019,030
2	Operating Expenses	2,599,375	2,586,674
3	Net Operating Revenues	685,524	432,356
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		(244)
7	Disposition of Land & Artworks		
8	Other		(4,379)
9	Total Other Op. Income & Expenses		(4,623)
	OPERATING TAXES		
10	Investment Tax Credits - Net	(26,641)	(29,546)
11	Federal Income Taxes	42,462	(28,043)
12	State & Local Income Taxes		
13	Other Taxes	203,237	196,458
14	Provision-Deferred Op.Income Taxes-Net	9,722	19,676
15	Total Operating Taxes	228,780	158,545
16	Net Operating Income	$456,744	$269,188
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$12,765	$17,956
18	Interest Income	66,646	50,054
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	25,310	21,591
23	Other Nonoperating Income	(45,003)	(42,925)
24	Special Charges	(3,869)	(4,810)
25	Total Nonop.Income & Expenses	$55,849	$41,866

Champlain Telephone Company, The
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	10,253	(9,554)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	10,253	(9,554)
7	Total Nonoperating Income	45,596	32,312
8	Income Available- Fixed Charges	502,340	301,500
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	148,001	150,857
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,449	1,449
12	Other Interest Deductions	2,768	1,272
13	Total	152,218	153,578
14	Income Before Extraordinary Items	350,122	147,922
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$350,122	$147,922
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$2,431,135	$2,341,010
21	Transferred from Income	350,122	147,922
22	Appropriations		
23	Dividends Dec.- Preferred Stock	12,077	44,916
24	- Common Stock	44,916	12,881
25	Adjustments		
26	Balance End of Year	2,724,264	2,431,135
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$2,724,264	$2,431,135
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

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The Champlain Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989 ----	1988 ----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$350,122	$147,922
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	411,965	515,648
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(15,955)	53,690
4	Deferred Taxes & ITCs	(16,919)	(9,127)
5	Current Income & Other Taxes Payable	66,834	(39,534)
6	Interest Payable	(468)	(445)
7	Equity In Loss (Earnings) Of Affiliates	(25,310)	(21,591)
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	21,523	32,038
11	Total Adjustments	441,670	530,679
12	Net Cash From Operating Activities	791,792	678,601
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(916,275)	(541,209)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(12,051)	(11,000)
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	13,258	
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	16,943	23,246
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		9,026
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		54,019
23	Net Cash From Investing Activities	(898,125)	(465,918)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(56,080)	(53,223)
25	Common Stock		
26	Preferred Stock	(11,000)	(13,750)
27	Short-term Debt		
28	Dividends Paid	(56,993)	(57,797)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(124,073)	(124,770)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(230,406)	87,913
34	Cash & Cash Equivalents At Beginning Of Year	1,037,937	950,024
35	Cash & Cash Equivalents At End Of Year	$807,531	$1,037,937

The Champlain Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$627,491	$591,292
2	Network Access Services	1,366,221	1,393,161
3	Long Distance Network Services	881,815	726,065
4	Miscellaneous Revenues	422,372	324,246
5	Uncollectible Revenues	(13,000)	(15,733)
6	Total Operating Revenues	$3,284,899	$3,019,031
7	Access Lines in Service	4,684	4,570
8	Total Revenue per Access Line	$701	$661
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$2,320	$1,437
2	General Support Services	153,876	149,017
3	Central Office Switching	168,997	153,674
4	Operator Systems Expense	3,644	1,926
5	Central Office Transmission	4,477	5,995
6	Info. Origination/Termination	17,181	11,721
7	Cable & Wire Facilities	332,107	343,883
8	Total Plant Specific Operations	$682,602	$667,653
9	Other Plant, Prop, & Equip.		$1,172
10	Network Operations	207,241	206,536
11	Access Expense		
12	Depreciation & Amortization Exp.	410,516	514,198
13	Total Plant Nonspecific Operations	$617,757	$721,906
14	Marketing Expense	$55,354	$52,280
15	Services Expense	668,167	610,587
16	Total Customer Operations	$723,521	$662,867
17	Executive & Planning	$287,803	$244,022
18	General & Administrative	287,692	290,226
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$575,495	$534,248
21	Total Operations Expenses	$2,599,375	$2,586,674

The Champlain Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,083,158	$1,928,539
2	Central Office Assets	2,963,410	2,590,436
3	Information Origination/Termination	125,680	146,745
4	Cable And Wire Facilities	2,886,526	2,705,989
5	Amortizable Assets		
6	Total Plant In Service	$8,058,774	$7,371,709
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	71,593	23,870
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$8,130,367	$7,395,579

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	3.3	6.8
	Percent Of Capitalization:		
16	Long Term Debt	48.5	51.4
17	Preferred Stock	3.0	3.3
18	Common Stock & Other Paid In Capital	3.5	3.6
19	Retained Earnings	45.0	41.7

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	10.7	4.9
21	Pretax Coverage Of Interest Charges	3.4	3.0
22	Common Stock Dividends As A % of Earnings	12.8	8.7
23	Return On Common Equity	12.1	4.0

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Chautauqua & Erie Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
		----	----
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$63,248	$52,723
2	Special Cash Deposits	47,939	127,248
3	Working Cash Advances	700	700
4	Temporary Investments		
5	Total Cash and Equivalents	$111,887	$180,671
6	Tel. Accounts Rec.(net)	$385,991	$318,978
7	Accts.Rec.- Affiliated Cos.	403,152	227,919
8	Accounts Rec. - Other	402,568	225,820
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$1,191,711	$772,717
15	Inventories	$379,463	$298,041
16	Prepayments	194,245	222,439
17	Other Current Assets	140,114	129,569
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$2,017,420	$1,603,437
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	$40,324	$40,324
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	30,833	37,202
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$71,157	$77,526
	REGULATED PLANT		
30	Tel. Plant in Service	$16,507,337	$15,705,576
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	59,293	103,466
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$16,566,630	$15,809,042
38	Less Depreciation & Amortization	4,712,835	4,342,705
39	Net Telecommunications Plant	$11,853,795	$11,466,337
40	Total Assets and Other Debits	$13,942,372	$13,147,300

Chautaqua & Erie Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$154,230	$29,968
2	Accounts Payable - Other	183,725	309,312
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	2,455,000	2,373,500
5	Advance Billing & Payments	29,000	28,400
6	Customers' Deposits	45,579	44,129
7	Current Maturities - LT Debt	60,000	60,000
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued		
10	Other Taxes - Accrued	166,570	161,584
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	152,012	136,979
14	Total Current Liabilities	3,246,116	3,143,872
	LONG-TERM DEBT		
15	Funded Debt	2,250,000	2,310,000
16	Prem. & Disc. on LT Debt	(29,276)	(32,358)
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,220,724	2,277,642
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	422,665	463,864
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	1,760,785	1,381,179
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	2,183,450	1,845,043
	STOCKHOLDER'S EQUITY		
30	Common Stock	780,320	780,320
31	Preferred Stock	650,000	650,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	4,861,762	4,450,423
38	Total Stockholder's Equity	6,292,082	5,880,743
39	Total Liabilities & Other Credits	$13,942,372	$13,147,300

Chautaqua & Erie Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$5,750,618	$4,645,154
2	Operating Expenses	3,009,380	2,776,883
3	Net Operating Revenues	$2,741,238	$1,868,271
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		58
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		$58
	OPERATING TAXES		
10	Investment Tax Credits - Net	(41,199)	(41,221)
11	Federal Income Taxes	451,470	313,365
12	State & Local Income Taxes		
13	Other Taxes	500,229	480,089
14	Provision-Deferred Op.Income Taxes-Net	379,606	227,050
15	Total Operating Taxes	$1,290,106	$979,283
16	Net Operating Income	$1,451,132	$889,046
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		18,261
18	Interest Income	9,738	
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(31,302)	(37,565)
25	Total Nonop.Income & Expenses	($21,564)	($19,304)

Chautaqua & Erie Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1989
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	(21,564)	(19,304)
8	Income Available- Fixed Charges	1,429,568	$869,742
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	202,772	207,947
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	3,081	3,081
12	Other Interest Deductions	256,769	207,896
13	Total	462,622	$418,924
14	Income Before Extraordinary Items	966,946	$450,818
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		396,139
18	Total		$396,139
19	NET INCOME	$966,946	$846,957
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	4,450,423	4,079,525
21	Transferred from Income	966,946	846,957
22	Appropriations		
23	Dividends Dec.- Preferred Stock	46,500	46,500
24	- Common Stock	509,107	429,559
25	Adjustments		
26	Balance End of Year	$4,861,762	$4,450,423
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,861,762	$4,450,423
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Chautaqua & Erie Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$966,946	$846,957
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	823,113	772,811
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(398,172)	(98,461)
4	Deferred Taxes & ITCs	338,407	185,829
5	Current Income & Other Taxes Payable	55,640	(61,744)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(21,077)	(21,225)
11	Total Adjustments	797,911	777,210
12	Net Cash From Operating Activities	1,764,857	1,624,167
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,207,489)	(1,189,454)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(10,545)	101,165
23	Net Cash From Investing Activities	(1,218,034)	(1,088,289)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(60,000)	(60,000)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(555,607)	(476,059)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(615,607)	(536,059)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(68,784)	(181)
34	Cash & Cash Equivalents At Beginning Of Year	180,671	180,852
35	Cash & Cash Equivalents At End Of Year	$111,887	$180,671

Chautauqua & Erie Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$1,144,400	$1,088,692
2	Network Access Services	1,930,012	1,505,975
3	Long Distance Network Services	1,450,599	1,397,314
4	Miscellaneous Revenues	1,237,697	665,173
5	Uncollectible Revenues	(12,090)	(12,000)
6	Total Operating Revenues	$5,750,618	$4,645,154
7	Access Lines in Service	9,145	8,642
8	Total Revenue per Access Line	$629	$538
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$27,258	$17,542
2	General Support Services	173,203	197,380
3	Central Office Switching	132,882	143,644
4	Operator Systems Expense		
5	Central Office Transmission	11,004	8,067
6	Info. Origination/Termination	170,577	168,949
7	Cable & Wire Facilities	158,723	120,788
8	Total Plant Specific Operations	$673,647	$656,370
9	Other Plant, Prop, & Equip.		
10	Network Operations	174,679	184,775
11	Access Expense		
12	Depreciation & Amortization Exp.	820,032	769,730
13	Total Plant Nonspecific Operations	$994,711	$954,505
14	Marketing Expense	$20,661	
15	Services Expense	504,103	
16	Total Customer Operations	$524,764	
17	Executive & Planning	$257,349	
18	General & Administrative	558,909	
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$816,258	
21	Total Operations Expenses	$3,009,380	$1,610,875

Chautauqua & Erie Telephone Corp.
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$3,081,544	$3,081,131
2 Central Office Assets	4,836,709	4,432,418
3 Information Origination/Termination	1,230,562	1,238,118
4 Cable And Wire Facilities	7,319,662	6,915,049
5 Amortizable Assets	38,860	38,860
6 Total Plant In Service	$16,507,337	$15,705,576
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	59,293	103,466
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$16,566,630	$15,809,042

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	0.62	0.51
Percent Of Capitalization:		
16 Long Term Debt	26.1	29.8
17 Preferred Stock	7.6	8.3
18 Common Stock & Other Paid In Capital	9.2	9.9
19 Retained Earnings	57.1	52.0

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	16.8	18.2
21 Pretax Coverage Of Interest Charges	4.8	3.3
22 Common Stock Dividends As A % of Earnings	52.7	50.7
23 Return On Common Equity	19.5	15.9

COMMUNICATIONS

Chazy & Westport Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$63,784	$65,058
2	Special Cash Deposits		
3	Working Cash Advances	800	800
4	Temporary Investments		
5	Total Cash and Equivalents	64,584	65,858
6	Tel. Accounts Rec.(net)	170,984	174,713
7	Accts.Rec.- Affiliated Cos.	88,070	164,744
8	Accounts Rec. - Other	231,710	110,388
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	490,764	449,845
15	Inventories	73,176	63,434
16	Prepayments	86,807	57,937
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	715,331	637,074
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	164,341	130,431
21	Investments in Nonaffiliated Cos.	183,461	178,843
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	11,314	11,878
24	Sinking Funds & Other Noncurrent	99,206	86,786
25	Deferred Maintenance & Retirements		
26	Deferred Charges	4,351	283
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	462,673	408,221
	REGULATED PLANT		
30	Tel. Plant in Service	5,054,376	4,747,433
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	153,950	34,488
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	75	75
36	Goodwill		
37	Total Telecommunications Plant	5,208,401	4,781,996
38	Less Depreciation & Amortization	1,586,434	1,468,552
39	Net Telecommunications Plant	3,621,967	3,313,444
40	Total Assets and Other Debits	$4,799,971	$4,358,739

Chazy And Westport Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$4,086	$3,189
2	Accounts Payable - Other	214,021	172,987
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	50,000	200,000
5	Advance Billing & Payments	25,716	24,782
6	Customers' Deposits	1,853	1,690
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases	15,326	
9	Income Taxes - Accrued	44,161	(886)
10	Other Taxes - Accrued	9,073	3,803
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	56,501	42,938
14	Total Current Liabilities	420,737	448,503
	LONG-TERM DEBT		
15	Funded Debt	2,037,304	2,085,333
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases	70,170	
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,107,474	2,085,333
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	100,690	42,383
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	430,448	375,943
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	58,449	15,864
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	589,587	434,190
	STOCKHOLDER'S EQUITY		
30	Common Stock	62,100	62,100
31	Preferred Stock	130,000	130,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings	149,342	115,432
37	Unappropriated Retained Earnings	1,340,731	1,083,181
38	Total Stockholder's Equity	1,682,173	1,390,713
39	Total Liabilities & Other Credits	$4,799,971	$4,358,739

Chazy & Westport Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

Item	1989	1988
TELEPHONE OPERATING INCOME		
1 Operating Revenues	$2,100,978	$1,720,203
2 Operating Expenses	1,340,715	1,255,528
3 Net Operating Revenues	760,263	464,675
OTHER OPER. INCOME & EXPENSE		
4 Income from Custom Work	1,505	58
5 Return from Nonregulated Use of Regulated Facilities		
Gains/Losses:		
6 Foreign Exchange		
7 Disposition of Land & Artworks		
8 Other	132	153
9 Total Other Op. Income & Expenses	1,637	211
OPERATING TAXES		
10 Investment Tax Credits - Net	69,674	5,299
11 Federal Income Taxes	59,757	11,760
12 State & Local Income Taxes		
13 Other Taxes	133,640	116,523
14 Provision-Deferred Op.Income Taxes-Net	98,246	54,538
15 Total Operating Taxes	361,317	188,120
16 Net Operating Income	$400,583	$276,766
NONOPERATING INCOME AND EXPENSES		
17 Dividend Income	$935	$779
18 Interest Income	171	158
19 Income-Sinking & Other Funds		
20 Allow. for Funds Used During Const.		
21 Gains/Losses-Dispos. Certain Property		
22 Equity in Earnings Affiliated Co's.	33,910	17,084
23 Other Nonoperating Income		(34,500)
24 Special Charges	2,843	(1,398)
25 Total Nonop.Income & Expenses	$37,859	($17,877)

Chazy & Westport Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($11,367)	($5,479)
2	Federal Income Taxes	702	(5,030)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	(10,665)	(10,509)
7	Total Nonoperating Income	48,524	(7,368)
8	Income Available- Fixed Charges	449,107	269,340
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	127,435	130,200
10	Interest Expense-Capital Leases	6,830	
11	Amort. Debt Issuance Expense	565	565
12	Other Interest Deductions	16,317	8,150
13	Total	151,147	138,915
14	Income Before Extraordinary Items	297,960	130,425
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$297,960	$130,425
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$1,083,181	$976,340
21	Transferred from Income	264,050	113,341
22	Appropriations		
23	Dividends Dec.- Preferred Stock	6,500	6,500
24	- Common Stock		
25	Adjustments		
26	Balance End of Year	1,340,731	1,083,181
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,340,731	$1,083,181
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year	$115,432	$98,348
30	Balance End of Year	149,342	115,432

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Chazy & Westport Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$297,960	$130,425
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	270,434	235,628
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	30,998	(52,861)
4	Deferred Taxes & ITCs	155,397	37,736
5	Current Income & Other Taxes Payable	50,317	4,893
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates	(33,910)	(17,083)
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(32,938)	(2,500)
11	Total Adjustments	440,298	205,813
12	Net Cash From Operating Activities	738,258	336,238
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(645,672)	(423,899)
14	Acquisition Of Other Non-current Assets	(17,038)	(944)
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	57,537	19,675
23	Net Cash From Investing Activities	(605,173)	(405,168)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	22,141	(45,314)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(150,000)	165,000
28	Dividends Paid	(6,500)	(6,500)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(134,359)	113,186
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(1,274)	44,256
34	Cash & Cash Equivalents At Beginning Of Year	65,058	20,802
35	Cash & Cash Equivalents At End Of Year	$63,784	$65,058

Chazy & Westport Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$684,760	$377,694
2 Network Access Services	464,819	384,713
3 Long Distance Network Services	800,291	825,367
4 Miscellaneous Revenues	160,108	142,629
5 Uncollectible Revenues	(9,000)	(10,200)
6 Total Operating Revenues	$2,100,978	$1,720,203
7 Access Lines in Service	3,027	2,795
8 Total Revenue per Access Line	$694	$615

	1989	1988
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$10,937	$8,857
2 General Support Services	71,746	53,876
3 Central Office Switching	80,417	89,723
4 Operator Systems Expense		
5 Central Office Transmission	3,899	5,364
6 Info. Origination/Termination	14,175	14,653
7 Cable & Wire Facilities	162,600	118,625
8 Total Plant Specific Operations	343,774	291,098
9 Other Plant, Prop, & Equip.		(53)
10 Network Operations	49,577	104,734
11 Access Expense		
12 Depreciation & Amortization Exp.	269,870	235,063
13 Total Plant Nonspecific Operations	319,447	339,744
14 Marketing Expense	11,183	12,349
15 Services Expense	248,737	213,389
16 Total Customer Operations	259,920	225,738
17 Executive & Planning	182,472	165,845
18 General & Administrative	235,102	233,103
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	417,574	398,948
21 Total Operations Expenses	$1,340,715	$1,255,528

Chazy & Westport Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,107,016	$998,497
2	Central Office Assets	1,659,529	1,673,779
3	Information Origination/Termination	108,889	109,127
4	Cable And Wire Facilities	2,116,248	1,966,005
5	Amortizable Assets	62,694	25
6	Total Plant In Service	5,054,376	4,747,433
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	153,950	34,488
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	75	75
13	Goodwill		
14	Total Telecommunications Plant	$5,208,401	$4,781,996

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.7	1.4
	Percent Of Capitalization:		
16	Long Term Debt	55.6	60.0
17	Preferred Stock	3.4	3.7
18	Common Stock & Other Paid In Capital	5.6	5.1
19	Retained Earnings	35.4	31.2

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	14.2	7.6
21	Pretax Coverage Of Interest Charges	4.4	2.4
22	Common Stock Dividends As A % of Earnings		
23	Return On Common Equity	20.7	10.3

COMMUNICATIONS

Citizens Telephone Company of Hammond N.Y., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$24,758	$26,950
2	Special Cash Deposits	20,149	18,804
3	Working Cash Advances	425	645
4	Temporary Investments		
5	Total Cash and Equivalents	45,332	46,399
6	Tel. Accounts Rec.(net)	43,677	56,596
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	159,539	104,486
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	203,216	161,082
15	Inventories	60,209	52,441
16	Prepayments	21,504	15,462
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	330,261	275,384
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	75,400	71,400
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	24,120	19,415
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	99,520	90,815
	REGULATED PLANT		
30	Tel. Plant in Service	3,366,271	2,028,189
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	1,497	200,836
33	- Long Term		
34	Telecommunications Plant Adjustment	16,917	18,609
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	3,384,685	2,247,634
38	Less Depreciation & Amortization	616,530	738,221
39	Net Telecommunications Plant	2,768,155	1,509,413
40	Total Assets and Other Debits	$3,197,936	$1,875,612

Citizens Telephone Company Of Hammond, N. Y., The
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.		
2 Accounts Payable - Other	267,768	206,809
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other	40,000	80,066
5 Advance Billing & Payments	9,780	10,827
6 Customers' Deposits	2,264	2,223
7 Current Maturities - LT Debt		
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	3,533	1,618
10 Other Taxes - Accrued	15,740	6,942
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	7,761	4,117
14 Total Current Liabilities	346,846	312,602
LONG-TERM DEBT		
15 Funded Debt	2,182,510	1,038,001
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	2,182,510	1,038,001
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net	50,902	35,100
24 Unamortized Nonoper. ITC - net	1,436	1,595
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	94,041	63,914
26 Nonoperating Income Taxes - cr.	1,276	1,912
27 Other Deferred Credits	10,650	24,242
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	158,305	126,763
STOCKHOLDER'S EQUITY		
30 Common Stock	42,000	42,000
31 Preferred Stock	23,000	23,000
32 Additional Paid-in Capital		
33 Treasury Stock	(3,800)	(3,800)
34 Other Capital	15,000	15,000
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	434,075	322,046
38 Total Stockholder's Equity	510,275	398,246
39 Total Liabilities & Other Credits	$3,197,936	$1,875,612

Citizens Telephone Company Of Hammond, N. Y., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,596,461	$1,087,229
2	Operating Expenses	1,258,961	861,119
3	Net Operating Revenues	337,500	226,110
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	4,552	8,896
11	Federal Income Taxes	1,687	19,126
12	State & Local Income Taxes		
13	Other Taxes	80,146	64,197
14	Provision-Deferred Op.Income Taxes-Net	44,774	18,524
15	Total Operating Taxes	131,159	110,743
16	Net Operating Income	$206,341	$115,367
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	5,324	1,586
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(3,000)	(33,500)
24	Special Charges	(4,020)	(4,083)
25	Total Nonop.Income & Expenses	($1,696)	($35,997)

Citizens Telephone Company Of Hammond, N. Y. Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($5,298)	$4,919
2	Federal Income Taxes		4,758
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(636)	236
6	Total Nonoperating Taxes	(5,934)	9,913
7	Total Nonoperating Income	4,238	(26,084)
8	Income Available- Fixed Charges	210,579	89,283
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	96,480	19,052
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	844	436
12	Other Interest Deductions	73	8,857
13	Total	97,397	28,345
14	Income Before Extraordinary Items	113,182	60,938
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$113,182	$60,938
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$322,046	$262,259
21	Transferred from Income	113,181	60,939
22	Appropriations		
23	Dividends Dec.- Preferred Stock	1,152	1,152
24	- Common Stock		
25	Adjustments		
26	Balance End of Year	434,075	322,046
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$434,075	$322,046
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Citizens Telephone Company of Hammond, N.Y., Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$113,181	$60,939
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	155,204	111,618
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(31,261)	(127,119)
4	Deferred Taxes & ITCs	31,542	28,304
5	Current Income & Other Taxes Payable	10,713	7,058
6	Interest Payable	(679)	292
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	7,657	31,397
11	Total Adjustments	173,176	51,550
12	Net Cash From Operating Activities	286,357	112,489
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,381,184)	(164,873)
14	Acquisition Of Other Non-current Assets		(66,400)
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(9,549)	(12,500)
23	Net Cash From Investing Activities	(1,390,733)	(243,773)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	1,144,509	88,591
25	Common Stock		15,000
26	Preferred Stock		
27	Short-term Debt	(40,047)	42,066
28	Dividends Paid	(1,152)	(1,152)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	1,103,310	144,505
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(1,066)	13,221
34	Cash & Cash Equivalents At Beginning Of Year	46,398	33,177
35	Cash & Cash Equivalents At End Of Year	$45,332	$46,398

Citizens Telephone Company of Hammond, N.Y., Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$331,130	$202,286
2	Network Access Services	471,333	267,321
3	Long Distance Network Services	767,696	585,859
4	Miscellaneous Revenues	39,267	34,913
5	Uncollectible Revenues	(12,965)	(3,150)
6	Total Operating Revenues	$1,596,461	$1,087,229
7	Access Lines in Service	1,338	1,296
8	Total Revenue per Access Line	$1,193	$839

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$4,089	$5,209
2	General Support Services	108,771	88,979
3	Central Office Switching	44,992	48,119
4	Operator Systems Expense		
5	Central Office Transmission		
6	Info. Origination/Termination	100,643	26,560
7	Cable & Wire Facilities	123,540	72,907
8	Total Plant Specific Operations	$382,035	$241,774
9	Other Plant, Prop, & Equip.	$661	$417
10	Network Operations	129,837	85,858
11	Access Expense		
12	Depreciation & Amortization Exp.	153,516	111,182
13	Total Plant Nonspecific Operations	$284,014	$197,457
14	Marketing Expense	$975	$297
15	Services Expense	225,375	181,095
16	Total Customer Operations	$226,350	$181,392
17	Executive & Planning	$153,207	$104,049
18	General & Administrative	213,355	136,447
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$366,562	$240,496
21	Total Operations Expenses	$1,258,961	$861,119

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Citizens Telephone Company of Hammond, N.Y., Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$519,919	$564,907
2	Central Office Assets	559,341	245,670
3	Information Origination/Termination	102,262	98,782
4	Cable And Wire Facilities	2,184,536	1,118,618
5	Amortizable Assets	214	214
6	Total Plant In Service	$3,366,272	$2,028,191
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	1,497	200,836
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition	16,917	18,609
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$3,384,686	$2,247,636

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.0	0.9
	Percent Of Capitalization:		
16	Long Term Debt	81.1	72.3
17	Preferred Stock	0.9	1.6
18	Common Stock & Other Paid In Capital	2.0	3.7
19	Retained Earnings	16.1	22.4

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	7.1	5.6
21	Pretax Coverage Of Interest Charges	2.7	5.1
22	Common Stock Dividends As A % of Earnings		
23	Return On Common Equity	26.0	17.7

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Clymer Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$150,402	$137,330
2	Special Cash Deposits		
3	Working Cash Advances	150	150
4	Temporary Investments		
5	Total Cash and Equivalents	$150,552	$137,480
6	Tel. Accounts Rec.(net)	$48,326	$40,692
7	Accts.Rec.- Affiliated Cos.	961	9,746
8	Accounts Rec. - Other	48,661	48,813
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$97,948	$99,251
15	Inventories		
16	Prepayments	8,236	7,502
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$256,736	$244,233
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	13,409	13,409
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	4,514	4,726
24	Sinking Funds & Other Noncurrent	1,329	1,003
25	Deferred Maintenance & Retirements		
26	Deferred Charges	335	692
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$19,587	$19,830
	REGULATED PLANT		
30	Tel. Plant in Service	$1,604,608	$1,549,060
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	46,849	11,762
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$1,651,457	$1,560,822
38	Less Depreciation & Amortization	772,517	704,140
39	Net Telecommunications Plant	$878,940	$856,682
40	Total Assets and Other Debits	$1,155,263	$1,120,745

Clymer Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$29,949	$37,563
2	Accounts Payable - Other	41,830	29,650
3	Notes Payable - Affiliated Cos.	31,408	
4	Notes Payable - Other		
5	Advance Billing & Payments	146	843
6	Customers' Deposits	1,840	1,465
7	Current Maturities - LT Debt	14,384	13,651
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	4,551	(3,178)
10	Other Taxes - Accrued	772	1,263
11	Current Def. Op. Inc. Taxes - Cr.		(530)
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	27,030	30,469
14	Total Current Liabilities	151,910	111,196
	LONG-TERM DEBT		
15	Funded Debt		
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt	506,333	519,682
21	Total Long - Term Debt	506,333	519,682
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	27,424	31,941
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	126,203	135,336
26	Nonoperating Income Taxes - cr.	(143)	
27	Other Deferred Credits		(102)
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	153,484	167,175
	STOCKHOLDER'S EQUITY		
30	Common Stock	19,900	19,900
31	Preferred Stock	40,000	40,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	500	500
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	283,136	262,292
38	Total Stockholder's Equity	343,536	322,692
39	Total Liabilities & Other Credits	$1,155,263	$1,120,745

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Clymer Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$548,019	$498,776
2	Operating Expenses	395,507	408,417
3	Net Operating Revenues	$152,512	$90,359
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	15	9
9	Total Other Op. Income & Expenses	$15	$9
	OPERATING TAXES		
10	Investment Tax Credits - Net	(4,705)	(4,534)
11	Federal Income Taxes	36,075	16,391
12	State & Local Income Taxes		
13	Other Taxes	35,426	33,171
14	Provision-Deferred Op.Income Taxes-Net	(8,769)	2,215
15	Total Operating Taxes	$58,027	$47,243
16	Net Operating Income	$94,500	$43,125
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	7,030	6,555
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(6)
24	Special Charges	(35)	(14)
25	Total Nonop.Income & Expenses	$6,995	$6,535

Clymer Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1989
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	$2,378	
2	Federal Income Taxes		12
3	State & Local Taxes		
4	Other Taxes		(40)
5	Prov. -Def. Income Taxes-Net	(117)	(3)
6	Total Nonoperating Taxes	$2,261	($31)
7	Total Nonoperating Income	4,734	6,566
8	Income Available- Fixed Charges	$99,234	$49,691
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	28,727	29,395
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	212	212
12	Other Interest Deductions	84	165
13	Total	$29,023	$29,772
14	Income Before Extraordinary Items	$70,211	$19,919
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$70,211	$19,919
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	262,292	269,450
21	Transferred from Income	70,211	19,919
22	Appropriations		
23	Dividends Dec.- Preferred Stock	2,800	2,800
24	- Common Stock	46,567	24,277
25	Adjustments		
26	Balance End of Year	$283,136	$262,292
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$283,136	$262,292
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Clymer Telephone Co., Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$70,211	$19,919
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	80,034	90,221
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	291	(5,140)
4	Deferred Taxes & ITCs	(13,793)	(2,041)
5	Current Income & Other Taxes Payable	7,768	(865)
6	Interest Payable	(254)	(86)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	1,753	(183)
11	Total Adjustments	75,799	81,906
12	Net Cash From Operating Activities	146,010	101,825
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(102,363)	(48,540)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(102,363)	(48,540)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(13,349)	(12,565)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	32,141	627
28	Dividends Paid	(49,367)	(27,077)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(30,575)	(39,015)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	13,072	14,270
34	Cash & Cash Equivalents At Beginning Of Year	137,480	123,210
35	Cash & Cash Equivalents At End Of Year	$150,552	$137,480

Clymer Telephone Co., Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$133,935	$123,880
2	Network Access Services	250,759	228,301
3	Long Distance Network Services	78,986	86,229
4	Miscellaneous Revenues	84,699	63,126
5	Uncollectible Revenues	(360)	(2,760)
6	Total Operating Revenues	$548,019	$498,776
7	Access Lines in Service	898	915
8	Total Revenue per Access Line	$610	$545

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$908	$52
2	General Support Services	13,204	13,888
3	Central Office Switching	37,467	33,845
4	Operator Systems Expense		
5	Central Office Transmission	1,705	632
6	Info. Origination/Termination	6,041	1,564
7	Cable & Wire Facilities	30,492	29,400
8	Total Plant Specific Operations	$89,817	$79,381
9	Other Plant, Prop, & Equip.	$39	$3
10	Network Operations	22,697	22,535
11	Access Expense		
12	Depreciation & Amortization Exp.	80,034	90,221
13	Total Plant Nonspecific Operations	$102,770	$112,759
14	Marketing Expense	$3,588	$4,989
15	Services Expense	108,776	78,901
16	Total Customer Operations	$112,364	$83,890
17	Executive & Planning	$7,920	$31,945
18	General & Administrative	82,636	100,442
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$90,556	$132,387
21	Total Operations Expenses	$395,507	$408,417

Clymer Telephone Co., Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$93,616	$93,616
2	Central Office Assets	458,731	443,379
3	Information Origination/Termination	230,025	225,638
4	Cable And Wire Facilities	822,236	786,427
5	Amortizable Assets		
6	Total Plant In Service	$1,604,608	$1,549,060
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	46,849	11,762
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$1,651,457	$1,560,822

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.7	2.2
	Percent Of Capitalization:		
16	Long Term Debt	59.6	61.7
17	Preferred Stock	4.7	4.8
18	Common Stock & Other Paid In Capital	2.4	2.4
19	Retained Earnings	33.3	31.1

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	12.8	4.0
21	Pretax Coverage Of Interest Charges	4.3	4.7
22	Common Stock Dividends As A % of Earnings	66.3	121.9
23	Return On Common Equity	23.0	6.0

COMMUNICATIONS

Contel of New York, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$3,279,203	$3,936,987
2	Special Cash Deposits		
3	Working Cash Advances	96,905	97,205
4	Temporary Investments		
5	Total Cash and Equivalents	$3,376,108	$4,034,192
6	Tel. Accounts Rec.(net)	$9,879,699	$9,425,922
7	Accts.Rec.- Affiliated Cos.	11,579,140	4,374,864
8	Accounts Rec. - Other	11,850,570	8,300,211
9	Accts. Rec. Allow. - Affil. & Other	(4,571)	(5,285)
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other	474,473	405,042
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$33,779,311	$22,500,754
15	Inventories	$1,334,284	$1,807,652
16	Prepayments	2,664,234	2,412,069
17	Other Current Assets	150,222	
18	Current Deferred Inc. Taxes (Dr.)	(2,128,668)	(1,173,933)
19	Total Current Assets	$39,175,491	$29,580,734
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	215,900	215,900
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	1,994,076	1,769,420
24	Sinking Funds & Other Noncurrent	277,848	
25	Deferred Maintenance & Retirements		
26	Deferred Charges	(342,352)	2,745,023
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$2,145,472	$4,730,343
	REGULATED PLANT		
30	Tel. Plant in Service	$449,083,664	$428,015,573
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	20,429,015	19,274,471
33	- Long Term	894,453	536,653
34	Telecommunications Plant Adjustment	406,952	577,793
35	Nonoperating Plant	42,349	42,349
36	Goodwill		
37	Total Telecommunications Plant	$470,856,433	$448,446,839
38	Less Depreciation & Amortization	141,589,156	141,858,788
39	Net Telecommunications Plant	$329,267,277	$306,588,051
40	Total Assets and Other Debits	$370,588,240	$340,899,128

Contel of New York Inc.
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.	$11,822,985	$4,691,310
2 Accounts Payable - Other	14,712,769	14,014,827
3 Notes Payable - Affiliated Cos.	3,900,000	11,000,000
4 Notes Payable - Other		
5 Advance Billing & Payments	1,238,648	1,286,962
6 Customers' Deposits	214,912	227,583
7 Current Maturities - LT Debt	5,390,350	5,509,064
8 Current Maturities - Capital Leases	274,457	324,026
9 Income Taxes - Accrued	2,927,399	2,960,191
10 Other Taxes - Accrued	530,859	237,056
11 Current Def. Op. Inc. Taxes - Cr.	312,770	215,754
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	13,576,202	14,383,113
14 Total Current Liabilities	54,901,351	54,849,886
LONG-TERM DEBT		
15 Funded Debt	129,836,943	110,227,298
16 Prem. & Disc. on LT Debt	(82,826)	(88,602)
17 Reacquired Debt		
18 Obligations Under Capital Leases	1,052,864	1,265,644
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	130,806,981	111,404,340
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities	4,026,265	2,690,189
23 Unamortized Oper. ITC - net	11,323,506	13,046,768
24 Unamortized Nonoper. ITC - net		
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	44,854,341	42,757,451
26 Nonoperating Income Taxes - cr.		
27 Other Deferred Credits	2,249,481	1,599,150
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	62,453,593	60,093,558
STOCKHOLDER'S EQUITY		
30 Common Stock	37,000,000	37,000,000
31 Preferred Stock		
32 Additional Paid-in Capital	1,736,960	1,736,960
33 Treasury Stock		
34 Other Capital	25,301,353	25,301,353
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	58,388,002	50,513,031
38 Total Stockholder's Equity	122,426,315	114,551,344
39 Total Liabilities & Other Credits	$370,588,240	$340,899,128

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Contel of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$175,721,904	$168,453,402
2	Operating Expenses	119,550,503	111,740,499
3	Net Operating Revenues	56,171,401	56,712,903
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work	1,441	(57)
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		(668)
8	Other	(1,429)	890
9	Total Other Op. Income & Expenses	12	165
	OPERATING TAXES		
10	Investment Tax Credits - Net	(1,723,262)	(1,751,565)
11	Federal Income Taxes	4,074,474	10,227,331
12	State & Local Income Taxes		10,550
13	Other Taxes	14,036,545	13,344,696
14	Provision-Deferred Op.Income Taxes-Net	5,581,673	2,724,696
15	Total Operating Taxes	21,969,430	24,555,708
16	Net Operating Income	$34,201,983	$32,157,360
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$170	$340
18	Interest Income	82,032	207,385
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	901,104	862,626
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(483)	(33,488)
24	Special Charges	(340,662)	(741,195)
25	Total Nonop.Income & Expenses	$642,161	$295,668

Contel of New York, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	(117,055)	(163,753)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		14,474
6	Total Nonoperating Taxes	(117,055)	(149,279)
7	Total Nonoperating Income	759,216	444,947
8	Income Available- Fixed Charges	34,964,057	32,602,307
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	11,108,846	10,108,384
10	Interest Expense-Capital Leases	106,699	176,265
11	Amort. Debt Issuance Expense	171,532	158,659
12	Other Interest Deductions	1,502,011	824,054
13	Total	12,889,088	11,267,362
14	Income Before Extraordinary Items	22,074,969	21,334,945
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$22,074,969	$21,334,945
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$50,513,031	$44,378,086
21	Transferred from Income	22,074,969	21,334,945
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	14,200,000	15,200,000
25	Adjustments	2	
26	Balance End of Year	58,388,002	50,513,031
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$58,388,002	$50,513,031
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Contel of New York, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$22,074,969	$21,334,945
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	24,260,643	24,755,116
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(3,140,633)	(692,489)
4	Deferred Taxes & ITCs	3,858,411	987,605
5	Current Income & Other Taxes Payable	(1,096,954)	1,206,026
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(901,104)	(862,626)
9	Dividends Recieved - Assoc. & Subsid. Co's.		(370,891)
10	Other Adjustments	32,826	(581,179)
11	Total Adjustments	23,013,189	24,441,562
12	Net Cash From Operating Activities	45,088,158	45,776,507
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(43,492,350)	(46,475,793)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	(1,199,299)	
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	922,840	726,571
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(43,768,809)	(45,749,222)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	19,615,421	15,341,451
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(168,283)	
28	Dividends Paid	(14,200,000)	(15,200,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.	(7,100,000)	(800,000)
30	Principal Payments Under Capital Leases	(124,571)	(54,356)
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(1,977,433)	(712,905)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(658,084)	(685,620)
34	Cash & Cash Equivalents At Beginning Of Year	4,034,192	4,719,802
35	Cash & Cash Equivalents At End Of Year	$3,376,108	$4,034,182

Contel of New York, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$46,400,253	$45,134,255
2	Network Access Services	59,789,532	54,550,481
3	Long Distance Network Services	48,431,750	43,866,932
4	Miscellaneous Revenues	23,149,784	25,818,060
5	Uncollectible Revenues	(2,049,415)	(916,326)
6	Total Operating Revenues	$175,721,904	$168,453,402
7	Access Lines in Service	242,451	234,675
8	Total Revenue per Access Line	$725	$718

		1989	1988
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$683,565	$1,045,874
2	General Support Services	7,030,521	4,457,564
3	Central Office Switching	9,543,214	8,193,354
4	Operator Systems Expense	29,646	28,685
5	Central Office Transmission	1,282,321	1,225,294
6	Info. Origination/Termination	7,248,823	7,033,111
7	Cable & Wire Facilities	17,284,417	16,253,686
8	Total Plant Specific Operations	43,102,507	38,237,568
9	Other Plant, Prop, & Equip.	(12,349)	4,720
10	Network Operations	10,565,786	9,031,846
11	Access Expense	157,520	148,171
12	Depreciation & Amortization Exp.	24,758,566	25,148,889
13	Total Plant Nonspecific Operations	35,469,523	34,333,626
14	Marketing Expense	2,177,978	1,749,356
15	Services Expense	19,826,126	20,818,786
16	Total Customer Operations	22,004,104	22,568,142
17	Executive & Planning	2,779,733	2,156,338
18	General & Administrative	16,194,636	14,444,825
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	18,974,369	16,601,163
21	Total Operations Expenses	$119,550,503	$111,740,499

Contel of New York, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$36,328,082	$34,198,118
2	Central Office Assets	150,310,830	148,086,761
3	Information Origination/Termination	23,133,567	22,783,555
4	Cable And Wire Facilities	235,766,980	219,041,863
5	Amortizable Assets	3,544,205	3,905,278
6	Total Plant In Service	449,083,664	428,015,575
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	21,323,468	19,811,124
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition	406,952	577,792
11	Other Plant		
12	Nonoperating Plant	42,349	42,349
13	Goodwill		
14	Total Telecommunications Plant	$470,856,433	$448,446,840

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.7	0.5
	Percent Of Capitalization:		
16	Long Term Debt	51.7	47.4
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	25.3	31.1
19	Retained Earnings	23.1	21.5

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	12.6	12.7
21	Pretax Coverage Of Interest Charges	3.3	3.9
22	Common Stock Dividends As A % of Earnings	64.3	71.2
23	Return On Common Equity	18.6	19.1

Footnotes: (a) Does not agree with amount shown on Balance sheet for this Account.

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Crown Point Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$10,819	$3,186
2	Special Cash Deposits		
3	Working Cash Advances	420	420
4	Temporary Investments		
5	Total Cash and Equivalents	11,239	3,606
6	Tel. Accounts Rec.(net)	69,463	60,124
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	60,425	53,937
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	129,888	114,061
15	Inventories	19,534	21,407
16	Prepayments	15,065	23,587
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	175,726	162,661
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	11,200	6,200
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	9,848	10,231
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	21,048	16,431
	REGULATED PLANT		
30	Tel. Plant in Service	1,748,410	1,702,545
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	52,021	22,982
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	1,800,431	1,725,527
38	Less Depreciation & Amortization	677,369	584,514
39	Net Telecommunications Plant	1,123,062	1,141,013
40	Total Assets and Other Debits	$1,319,836	$1,320,105

Crown Point Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$50,966	
2	Accounts Payable - Other		102,246
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	21,500	20,000
5	Advance Billing & Payments	2,400	2,400
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	3,192	8,449
10	Other Taxes - Accrued	4,795	3,524
11	Current Def. Op. Inc. Taxes - Cr.		–
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	7,962	17,183
14	Total Current Liabilities	90,815	153,802
	LONG-TERM DEBT		
15	Funded Debt	880,512	903,912
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	880,512	903,912
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	22,906	10,717
24	Unamortized Nonoper. ITC - net	265	318
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	10,381	12,481
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	2,916	
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	36,468	23,516
	STOCKHOLDER'S EQUITY		
30	Common Stock	24,300	24,300
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	4,863	4,863
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	282,878	209,712
38	Total Stockholder's Equity	312,041	238,875
39	Total Liabilities & Other Credits	$1,319,836	$1,320,105

Crown Point Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$976,583	$838,958
2	Operating Expenses	782,641	657,902
3	Net Operating Revenues	193,942	181,056
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	15,332	6,730
11	Federal Income Taxes	12,356	6,321
12	State & Local Income Taxes		
13	Other Taxes	67,409	60,544
14	Provision-Deferred Op.Income Taxes-Net	816	
15	Total Operating Taxes	95,913	73,595
16	Net Operating Income	$98,029	$107,461
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income		31
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(527)	(15,000)
24	Special Charges		
25	Total Nonop.Income & Expenses	($527)	($14,969)

Crown Point Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($3,196)	($1,593)
2	Federal Income Taxes	(124)	2,128
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		325
6	Total Nonoperating Taxes	(3,320)	860
7	Total Nonoperating Income	2,793	(15,829)
8	Income Available- Fixed Charges	100,822	91,632
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	44,433	44,841
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	383	457
12	Other Interest Deductions	3,117	3,797
13	Total	47,933	49,095
14	Income Before Extraordinary Items	52,889	42,537
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	20,277	
18	Total	20,277	
19	NET INCOME	$73,166	$42,537
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$209,712	$167,145
21	Transferred from Income	73,166	42,537
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock		
25	Adjustments		
26	Balance End of Year	282,878	209,682
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$282,878	$209,682
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Crown Point Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$73,166	$42,537
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	95,610	25,470
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(78,760)	40,621
4	Deferred Taxes & ITCs	12,952	5,462
5	Current Income & Other Taxes Payable	(3,986)	7,147
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	9,469	10,723
11	Total Adjustments	35,285	89,423
12	Net Cash From Operating Activities	108,451	131,960
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(73,296)	(119,290)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(622)	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(5,000)	(4,700)
23	Net Cash From Investing Activities	(78,918)	(123,990)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(23,400)	(22,387)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	1,500	500
28	Dividends Paid		
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(21,900)	(21,887)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	7,633	(13,917)
34	Cash & Cash Equivalents At Beginning Of Year	3,606	17,523
35	Cash & Cash Equivalents At End Of Year	$11,239	$3,606

Crown Point Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$199,173	$210,136
2 Network Access Services	324,710	241,661
3 Long Distance Network Services	422,873	356,828
4 Miscellaneous Revenues	42,693	37,657
5 Uncollectible Revenues	(12,866)	(7,324)
6 Total Operating Revenues	$976,583	$838,958
7 Access Lines in Service	825	800
8 Total Revenue per Access Line	$1,184	$1,049
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$7,448	$437
2 General Support Services	79,830	64,676
3 Central Office Switching	50,116	22,346
4 Operator Systems Expense		
5 Central Office Transmission	1,319	10
6 Info. Origination/Termination	4,195	10,122
7 Cable & Wire Facilities	43,546	52,533
8 Total Plant Specific Operations	$186,454	$150,124
9 Other Plant, Prop, & Equip.	$1,995	$1,814
10 Network Operations	18,799	23,199
11 Access Expense		
12 Depreciation & Amortization Exp.	95,227	98,626
13 Total Plant Nonspecific Operations	$116,021	$123,639
14 Marketing Expense	$10,651	$12,227
15 Services Expense	103,235	81,837
16 Total Customer Operations	$113,886	$94,064
17 Executive & Planning	$183,345	$158,735
18 General & Administrative	182,935	131,340
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	$366,280	$290,075
21 Total Operations Expenses	$782,641	$657,902

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Crown Point Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$479,624	$457,216
2 Central Office Assets	256,962	256,757
3 Information Origination/Termination	44,502	44,502
4 Cable And Wire Facilities	967,322	940,469
5 Amortizable Assets		3,601
6 Total Plant In Service	$1,748,410	$1,702,545
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	52,021	22,982
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$1,800,431	$1,725,527

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	1.9	1.1
Percent Of Capitalization:		
16 Long Term Debt	73.8	79.1
17 Preferred Stock		
18 Common Stock & Other Paid In Capital	2.4	2.6
19 Retained Earnings	23.7	18.4

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	7.5	5.1
21 Pretax Coverage Of Interest Charges	2.6	2.1
22 Common Stock Dividends As A % of Earnings		
23 Return On Common Equity	26.6	19.5

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Delhi Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$364,778	$293,338
2	Special Cash Deposits	4,158	4,371
3	Working Cash Advances	150	150
4	Temporary Investments	924,718	779,870
5	Total Cash and Equivalents	1,293,804	1,077,729
6	Tel. Accounts Rec.(net)	276,550	255,809
7	Accts.Rec.- Affiliated Cos.	36,665	
8	Accounts Rec. - Other	304,224	267,490
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	617,439	523,299
15	Inventories	142,004	123,310
16	Prepayments	46,116	49,455
17	Other Current Assets	88,192	77,752
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	2,187,555	1,851,545
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	1,000	
21	Investments in Nonaffiliated Cos.	133,500	129,010
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	17,307	18,519
24	Sinking Funds & Other Noncurrent	246,689	217,476
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	398,496	365,005
	REGULATED PLANT		
30	Tel. Plant in Service	6,446,103	6,102,136
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	86,175	104,207
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	6,532,278	6,206,343
38	Less Depreciation & Amortization	2,201,440	1,909,413
39	Net Telecommunications Plant	4,330,838	4,296,930
40	Total Assets and Other Debits	$6,916,889	$6,513,480

Delhi Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	430,052	389,256
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	35,791	33,159
6	Customers' Deposits	845	1,055
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	3,573	(9,159)
10	Other Taxes - Accrued	1,539	9,805
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	51,564	49,563
14	Total Current Liabilities	523,364	473,679
	LONG-TERM DEBT		
15	Funded Debt	2,398,175	2,437,860
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt	162,700	171,200
21	Total Long - Term Debt	2,560,875	2,609,060
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities	172,426	180,323
23	Unamortized Oper. ITC - net	241,429	264,373
24	Unamortized Nonoper. ITC - net	12,810	14,220
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	577,708	499,371
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	104,022	49,859
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,108,395	1,008,146
	STOCKHOLDER'S EQUITY		
30	Common Stock	110,000	110,000
31	Preferred Stock	5,200	5,200
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	2,609,055	2,307,395
38	Total Stockholder's Equity	2,724,255	2,422,595
39	Total Liabilities & Other Credits	$6,916,889	$6,513,480

Delhi Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$2,636,232	$2,481,236
2	Operating Expenses	1,741,079	1,623,719
3	Net Operating Revenues	895,153	857,517
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(22,944)	(22,779)
11	Federal Income Taxes	84,751	95,536
12	State & Local Income Taxes		
13	Other Taxes	187,458	185,265
14	Provision-Deferred Op.Income Taxes-Net	132,500	99,749
15	Total Operating Taxes	381,765	357,771
16	Net Operating Income	$513,388	$499,746
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	112,976	66,324
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(39,500)
24	Special Charges	268	(2,249)
25	Total Nonop.Income & Expenses	$113,244	$24,575

Delhi Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($1,410)	($1,415)
2	Federal Income Taxes	38,503	15,305
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		(4,707)
6	Total Nonoperating Taxes	37,093	9,183
7	Total Nonoperating Income	76,151	15,392
8	Income Available- Fixed Charges	589,539	515,138
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	198,008	202,860
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,212	
12	Other Interest Deductions	9,096	9,022
13	Total	208,316	211,882
14	Income Before Extraordinary Items	381,223	303,256
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$381,223	$303,256
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$2,307,395	$2,099,597
21	Transferred from Income	381,223	303,256
22	Appropriations		
23	Dividends Dec.- Preferred Stock	364	417
24	- Common Stock	79,200	95,040
25	Adjustments		
26	Balance End of Year	2,609,054	2,307,396
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$2,609,054	$2,307,396
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Delhi Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$381,223	$303,256
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	354,533	333,862
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	116,488	(221,138)
4	Deferred Taxes & ITCs	53,983	70,848
5	Current Income & Other Taxes Payable	4,465	(37,538)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(108,269)	53,878
11	Total Adjustments	421,200	199,912
12	Net Cash From Operating Activities	802,423	503,168
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(387,229)	(374,578)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(37,665)	
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(33,703)	34,612
23	Net Cash From Investing Activities	(458,597)	(339,966)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(48,186)	(39,744)
25	Common Stock		
26	Preferred Stock		(800)
27	Short-term Debt		
28	Dividends Paid	(79,564)	(95,457)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(127,750)	(136,001)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	216,076	27,201
34	Cash & Cash Equivalents At Beginning Of Year	1,077,729	1,050,528
35	Cash & Cash Equivalents At End Of Year	$1,293,805	$1,077,729

Delhi Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$419,340	$496,637
2	Network Access Services	1,059,621	975,323
3	Long Distance Network Services	702,486	671,060
4	Miscellaneous Revenues	474,775	350,367
5	Uncollectible Revenues	(19,990)	(12,152)
6	Total Operating Revenues	$2,636,232	$2,481,235
7	Access Lines in Service	4,456	4,226
8	Total Revenue per Access Line	$592	$587

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$434	
2	General Support Services	95,446	76,227
3	Central Office Switching	60,658	51,812
4	Operator Systems Expense		
5	Central Office Transmission	37,568	29,976
6	Info. Origination/Termination	65,645	62,800
7	Cable & Wire Facilities	124,221	104,106
8	Total Plant Specific Operations	$383,972	$324,921
9	Other Plant, Prop, & Equip.		
10	Network Operations	93,801	88,645
11	Access Expense		7
12	Depreciation & Amortization Exp.	353,321	332,650
13	Total Plant Nonspecific Operations	$447,122	$421,302
14	Marketing Expense	$27,274	$20,351
15	Services Expense	383,689	359,688
16	Total Customer Operations	$410,963	$380,039
17	Executive & Planning	$210,381	$184,264
18	General & Administrative	288,641	313,193
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$499,022	$497,457
21	Total Operations Expenses	$1,741,079	$1,623,719

Delhi Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,402,892	$1,325,362
2	Central Office Assets	1,837,449	1,743,646
3	Information Origination/Termination	516,474	521,946
4	Cable And Wire Facilities	2,689,288	2,511,182
5	Amortizable Assets		
6	Total Plant In Service	$6,446,103	$6,102,136
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	86,175	104,207
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$6,532,278	$6,206,343

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	4.2	3.9
	Percent Of Capitalization:		
16	Long Term Debt	48.5	51.9
17	Preferred Stock	0.1	0.1
18	Common Stock & Other Paid In Capital	2.1	2.2
19	Retained Earnings	49.4	45.9

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	14.5	12.2
21	Pretax Coverage Of Interest Charges	3.9	2.8
22	Common Stock Dividends As A % of Earnings	20.8	31.3
23	Return On Common Equity	14.8	13.1

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Deposit Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$555,362	$510,313
2	Special Cash Deposits	69,695	85,875
3	Working Cash Advances	270	270
4	Temporary Investments		
5	Total Cash and Equivalents	$625,327	$596,458
6	Tel. Accounts Rec.(net)	$354,462	$348,781
7	Accts.Rec.- Affiliated Cos.		347,347
8	Accounts Rec. - Other	321,781	
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$676,243	$696,128
15	Inventories		$113,184
16	Prepayments	392,916	82,053
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$1,694,486	$1,487,823
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	549,399	442,166
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	31,541	35,777
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		324
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$580,940	$478,267
	REGULATED PLANT		
30	Tel. Plant in Service	$10,361,588	$9,652,485
31	Property Held - Future Tel. Use	437,384	
	Tel. Plant Under Construction:		
32	- Short Term		50,268
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$10,798,972	$9,702,753
38	Less Depreciation & Amortization	2,306,125	2,607,955
39	Net Telecommunications Plant	$8,492,847	$7,094,798
40	Total Assets and Other Debits	$10,768,273	$9,060,888

Deposit Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.		
2 Accounts Payable - Other	440,198	279,628
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other		
5 Advance Billing & Payments	27,850	26,175
6 Customers' Deposits	50,912	54,517
7 Current Maturities - LT Debt		
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	(156,654)	(90,315)
10 Other Taxes - Accrued	(787)	6,009
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	149,507	167,417
14 Total Current Liabilities	511,026	443,431
LONG-TERM DEBT		
15 Funded Debt	1,260,000	1,382,000
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt	1,037,482	150,000
21 Total Long - Term Debt	2,297,482	1,532,000
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities	709,375	482,301
23 Unamortized Oper. ITC - net	329,115	361,913
24 Unamortized Nonoper. ITC - net	8,857	10,003
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	1,058,938	1,035,276
26 Nonoperating Income Taxes - cr.	10,585	15,877
27 Other Deferred Credits		261,462
28 Other Juris. Liab. & Def. Cr. - net	390,796	
29 Total Other Liab. & Deferred Credits	2,507,666	2,166,832
STOCKHOLDER'S EQUITY		
30 Common Stock	322,250	322,250
31 Preferred Stock		
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	5,129,849	4,596,375
38 Total Stockholder's Equity	5,452,099	4,918,625
39 Total Liabilities & Other Credits	$10,768,273	$9,060,888

Deposit Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$4,417,501	$4,139,751
2	Operating Expenses	2,538,117	2,344,951
3	Net Operating Revenues	1,879,384	1,794,800
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(32,798)	(32,234)
11	Federal Income Taxes	411,437	424,327
12	State & Local Income Taxes		
13	Other Taxes	320,598	311,745
14	Provision-Deferred Op.Income Taxes-Net	151,675	274,866
15	Total Operating Taxes	850,912	978,704
16	Net Operating Income	$1,028,472	$816,096
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$174	$166
18	Interest Income	41,040	27,051
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(235,746)	(106,886)
24	Special Charges	(1,762)	(1,424)
25	Total Nonop.Income & Expenses	($196,294)	($81,093)

Deposit Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1989
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($1,146)	$1,146
2	Federal Income Taxes	(67,776)	19,647
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(5,292)	15,778
6	Total Nonoperating Taxes	(74,214)	36,571
7	Total Nonoperating Income	(122,080)	(44,522)
8	Income Available- Fixed Charges	906,392	771,574
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	144,366	158,321
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	4,236	4,236
12	Other Interest Deductions	28,474	24,296
13	Total	177,076	186,853
14	Income Before Extraordinary Items	729,316	584,721
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		307,379
18	Total		307,379
19	NET INCOME	$729,316	$892,100
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$4,596,375	$3,906,008
21	Transferred from Income	729,316	892,100
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	195,842	201,733
25	Adjustments		
26	Balance End of Year	5,129,849	4,596,375
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$5,129,849	$4,596,375
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Deposit Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$729,316	$892,100
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	627,178	569,123
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(16,534)	(87,104)
4	Deferred Taxes & ITCs	113,760	228,790
5	Current Income & Other Taxes Payable	(73,135)	(278,928)
6	Interest Payable	(3,094)	
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	214	(23,097)
11	Total Adjustments	648,389	408,784
12	Net Cash From Operating Activities	1,377,705	1,300,884
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(2,085,958)	(1,155,175)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	47,641	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets	(107,233)	(411,846)
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(2,145,550)	(1,567,021)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	765,482	(122,000)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(195,842)	(201,732)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	227,074	482,301
32	Net Cash From Financing Activities	796,714	158,569
33	Net Incr./(Decr.) In Cash & Cash Equivalents	28,869	(107,568)
34	Cash & Cash Equivalents At Beginning Of Year	596,458	704,026
35	Cash & Cash Equivalents At End Of Year	$625,327	$596,458

Deposit Telephone Company, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$1,308,956	$1,243,072
2 Network Access Services	1,347,870	1,331,216
3 Long Distance Network Services	1,033,309	1,187,143
4 Miscellaneous Revenues	745,366	396,320
5 Uncollectible Revenues	(18,000)	(18,000)
6 Total Operating Revenues	$4,417,501	$4,139,751
7 Access Lines in Service	7,264	7,121
8 Total Revenue per Access Line	$608	$581
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$9,378	$3,588
2 General Support Services	69,510	57,248
3 Central Office Switching	107,489	116,039
4 Operator Systems Expense		
5 Central Office Transmission	42,073	53,106
6 Info. Origination/Termination	174,797	148,705
7 Cable & Wire Facilities	328,391	347,154
8 Total Plant Specific Operations	$731,638	$725,840
9 Other Plant, Prop, & Equip.		
10 Network Operations	$160,901	$131,206
11 Access Expense	$2,216	$2,085
12 Depreciation & Amortization Exp.	$622,942	$564,887
13 Total Plant Nonspecific Operations	$786,059	$698,178
14 Marketing Expense	$20,350	$21,337
15 Services Expense	481,843	476,121
16 Total Customer Operations	$502,193	$497,458
17 Executive & Planning	$272,366	$159,939
18 General & Administrative	245,861	263,536
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	$518,227	$423,475
21 Total Operations Expenses	$2,538,117	$2,344,951

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Deposit Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

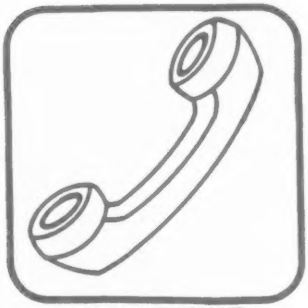
	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$1,333,585	$1,321,549
2 Central Office Assets	3,738,996	3,454,232
3 Information Origination/Termination	259,350	267,918
4 Cable And Wire Facilities	5,029,657	4,608,786
5 Amortizable Assets		
6 Total Plant In Service	$10,361,588	$9,652,485
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	437,384	50,268
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$10,798,972	$9,702,753

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	3.3	3.4
Percent Of Capitalization:		
16 Long Term Debt	29.6	23.7
17 Preferred Stock		
18 Common Stock & Other Paid In Capital	4.2	5.0
19 Retained Earnings	66.2	71.3

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	16.5	21.5
21 Pretax Coverage Of Interest Charges	8.5	7.9
22 Common Stock Dividends As A % of Earnings	26.9	22.6
23 Return On Common Equity	14.1	19.5



COMMUNICATIONS

Dunkirk & Fredonia Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$32,108	$3,549
2	Special Cash Deposits	35	430
3	Working Cash Advances	550	550
4	Temporary Investments	598,667	645,990
5	Total Cash and Equivalents	631,360	650,519
6	Tel. Accounts Rec.(net)	357,639	446,007
7	Accts.Rec.- Affiliated Cos.	51,420	90,261
8	Accounts Rec. - Other	299,897	165,966
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	708,956	702,234
15	Inventories	248,642	176,236
16	Prepayments	88,248	76,580
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	1,677,206	1,605,569
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	323,407	323,407
21	Investments in Nonaffiliated Cos.	175,749	175,749
22	Nonregulated Investments		844,094
23	Unamortized Debt Issuance Expense	11,430	11,882
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	510,586	1,355,132
	REGULATED PLANT		
30	Tel. Plant in Service	11,362,047	9,218,602
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	107,065	81,583
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	11,469,112	9,300,185
38	Less Depreciation & Amortization	3,340,296	2,538,675
39	Net Telecommunications Plant	8,128,816	6,761,510
40	Total Assets and Other Debits	$10,316,608	$9,722,211

Dunkirk & Fredonia Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$18,887	$12,315
2	Accounts Payable - Other	345,887	453,504
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments		
6	Customers' Deposits	19,212	18,230
7	Current Maturities - LT Debt	58,158	54,514
8	Current Maturities - Capital Leases	43,117	
9	Income Taxes - Accrued	188,059	(68,061)
10	Other Taxes - Accrued	30,835	9,065
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	47,852	149,124
14	Total Current Liabilities	752,007	628,691
	LONG-TERM DEBT		
15	Funded Debt	3,288,656	3,346,704
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases	160,952	
19	Advances from Affil. Cos.		
20	Other Long Term Debt	405,300	405,300
21	Total Long - Term Debt	3,854,908	3,752,004
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	302,154	327,387
24	Unamortized Nonoper. ITC - net	24,976	
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	1,512,115	1,548,488
26	Nonoperating Income Taxes - cr.	172,093	
27	Other Deferred Credits	79,637	48,981
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	2,090,975	1,924,856
	STOCKHOLDER'S EQUITY		
30	Common Stock	619,675	619,975
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	2,998,743	2,796,685
38	Total Stockholder's Equity	3,618,418	3,416,660
39	Total Liabilities & Other Credits	$10,316,308	$9,722,211

Dunkirk & Fredonia Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$4,479,693	$3,728,475
2	Operating Expenses	3,780,000	2,901,174
3	Net Operating Revenues	699,693	827,301
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	(6,520)	(16,809)
9	Total Other Op. Income & Expenses	(6,520)	(16,809)
	OPERATING TAXES		
10	Investment Tax Credits - Net	(25,233)	(25,233)
11	Federal Income Taxes	236,941	23,667
12	State & Local Income Taxes		
13	Other Taxes	334,983	295,828
14	Provision-Deferred Op.Income Taxes-Net	(5,717)	28,488
15	Total Operating Taxes	540,974	322,750
16	Net Operating Income	$152,199	$487,742
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$6,321	$12,573
18	Interest Income	49,671	45,064
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(38,755)	(50,035)
25	Total Nonop.Income & Expenses	$17,237	$7,602

Dunkirk & Fredonia Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($3,694)	($4,082)
2	Federal Income Taxes	3,718	5,796
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	5,119	3,268
6	Total Nonoperating Taxes	5,143	4,982
7	Total Nonoperating Income	12,094	2,620
8	Income Available- Fixed Charges	164,293	490,362
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	251,715	257,170
10	Interest Expense-Capital Leases	18,118	
11	Amort. Debt Issuance Expense	451	
12	Other Interest Deductions	1,421	4,425
13	Total	271,705	261,595
14	Income Before Extraordinary Items	(107,412)	228,767
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		32,247
17	Other Nonregulated Revenues	661,460	
18	Total	661,460	32,247
19	NET INCOME	$554,048	$261,014
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$2,796,685	$2,887,661
21	Transferred from Income	554,048	261,014
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	351,990	351,990
25	Adjustments		
26	Balance End of Year	2,998,743	2,796,685
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$2,998,743	$2,796,685
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Dunkirk & Fredonia Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$554,048	$261,014
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	661,651	550,311
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(237,285)	49,169
4	Deferred Taxes & ITCs	(29,525)	8,237
5	Current Income & Other Taxes Payable	260,690	(13,227)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(39,913)	(12,675)
11	Total Adjustments	615,618	581,815
12	Net Cash From Operating Activities	1,169,666	842,829
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,063,993)	(692,347)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	77,495	37,861
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(986,498)	(654,486)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	149,663	(48,681)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(351,990)	(351,990)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(202,327)	(400,671)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(19,159)	(212,328)
34	Cash & Cash Equivalents At Beginning Of Year	650,519	862,847
35	Cash & Cash Equivalents At End Of Year	$631,360	$650,519

Dunkirk & Fredonia Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$1,415,339	$1,346,361
2 Network Access Services	1,387,122	986,452
3 Long Distance Network Services	1,179,768	942,346
4 Miscellaneous Revenues	523,388	481,971
5 Uncollectible Revenues	(25,924)	(28,655)
6 Total Operating Revenues	$4,479,693	$3,728,475
7 Access Lines in Service	8,542	8,275
8 Total Revenue per Access Line	$524	$451

	1989	1988
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$12,709	$9,088
2 General Support Services	249,768	160,344
3 Central Office Switching	77,537	74,406
4 Operator Systems Expense		
5 Central Office Transmission	10,128	10,489
6 Info. Origination/Termination	536,736	8,921
7 Cable & Wire Facilities	168,909	148,390
8 Total Plant Specific Operations	1,055,787	411,638
9 Other Plant, Prop, & Equip.	12,959	18,953
10 Network Operations	389,547	391,384
11 Access Expense		
12 Depreciation & Amortization Exp.	549,146	446,581
13 Total Plant Nonspecific Operations	951,652	856,918
14 Marketing Expense	107,522	84,563
15 Services Expense	579,580	608,139
16 Total Customer Operations	687,102	692,702
17 Executive & Planning	358,756	365,881
18 General & Administrative	726,703	574,034
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	1,085,459	939,915
21 Total Operations Expenses	$3,780,000	$2,901,173

Dunkirk & Fredonia Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,936,740	$2,780,800
2	Central Office Assets	3,429,568	3,234,685
3	Information Origination/Termination	2,202,118	484,670
4	Cable And Wire Facilities	2,793,621	2,718,448
5	Amortizable Assets		
6	Total Plant In Service	11,362,047	9,218,603
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	107,065	81,583
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$11,469,112	$9,300,186

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	2.2	2.6
	Percent Of Capitalization:		
16	Long Term Debt	51.6	52.3
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	8.3	8.6
19	Retained Earnings	40.1	39.0

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	12.4	7.0
21	Pretax Coverage Of Interest Charges	1.4	2.0
22	Common Stock Dividends As A % of Earnings	63.5	134.9
23	Return On Common Equity	15.8	7.5

COMMUNICATIONS

Edwards Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$36,829	
2	Special Cash Deposits		
3	Working Cash Advances	400	400
4	Temporary Investments	421,952	444,000
5	Total Cash and Equivalents	459,181	444,400
6	Tel. Accounts Rec.(net)	53,628	44,097
7	Accts.Rec.- Affiliated Cos.		1,287
8	Accounts Rec. - Other	109,690	142,476
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.	10,777	9,155
14	Total Receivables (net)	174,095	197,015
15	Inventories	33,606	40,662
16	Prepayments	27,890	19,355
17	Other Current Assets		5,330
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	694,772	706,762
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	4,585	4,585
22	Nonregulated Investments	6,349	17,405
23	Unamortized Debt Issuance Expense	3,209	3,355
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	14,143	25,345
	REGULATED PLANT		
30	Tel. Plant in Service	4,323,693	4,109,974
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	411,434	74,352
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	4,735,127	4,184,326
38	Less Depreciation & Amortization	1,860,210	1,560,721
39	Net Telecommunications Plant	2,874,917	2,623,605
40	Total Assets and Other Debits	$3,583,832	$3,355,712

Edwards Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$61,520	$42,682
2	Accounts Payable - Other	51,672	79,770
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	(1,359)	(563)
6	Customers' Deposits	4,123	3,664
7	Current Maturities - LT Debt	38,433	36,570
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	34,841	11,796
10	Other Taxes - Accrued	16,003	16,926
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	16,182	89,158
14	Total Current Liabilities	221,415	280,003
	LONG-TERM DEBT		
15	Funded Debt	1,433,433	1,471,887
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	1,433,433	1,471,887
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net		85,943
24	Unamortized Nonoper. ITC - net	64,705	
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	50,648	41,351
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	82,711	21,089
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	198,064	148,383
	STOCKHOLDER'S EQUITY		
30	Common Stock	67,600	67,600
31	Preferred Stock	17,000	17,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,646,320	1,370,839
38	Total Stockholder's Equity	1,730,920	1,455,439
39	Total Liabilities & Other Credits	$3,583,832	$3,355,712

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Edwards Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,478,715	$1,333,740
2	Operating Expenses	829,050	784,927
3	Net Operating Revenues	649,665	548,813
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities	204	
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses	204	
	OPERATING TAXES		
10	Investment Tax Credits - Net		
11	Federal Income Taxes	145,735	118,560
12	State & Local Income Taxes		
13	Other Taxes	204,017	115,110
14	Provision-Deferred Op.Income Taxes-Net	9,297	(3,152)
15	Total Operating Taxes	359,049	230,518
16	Net Operating Income	$290,820	$318,295
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$369	$322
18	Interest Income	37,850	33,734
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(95)	
24	Special Charges	(2,458)	(7,831)
25	Total Nonop.Income & Expenses	$35,666	$26,225

Edwards Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($21,238)	($18,211)
2	Federal Income Taxes	15,105	18,272
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	(6,133)	61
7	Total Nonoperating Income	41,799	26,164
8	Income Available- Fixed Charges	332,619	344,459
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	74,389	76,072
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	146	146
12	Other Interest Deductions	331	138
13	Total	74,866	76,356
14	Income Before Extraordinary Items	257,753	268,103
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income	18,578	17,699
17	Other Nonregulated Revenues		
18	Total	18,578	17,699
19	NET INCOME	$276,331	$285,802
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$1,370,839	$1,185,888
21	Transferred from Income	276,331	285,802
22	Appropriations		
23	Dividends Dec.- Preferred Stock	850	850
24	- Common Stock		100,000
25	Adjustments		
26	Balance End of Year	1,646,320	1,370,840
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,646,320	$1,370,840
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Edwards Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$276,331	$285,802
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	349,163	292,423
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(52,706)	(98,547)
4	Deferred Taxes & ITCs	(11,941)	(21,362)
5	Current Income & Other Taxes Payable	22,122	(44,372)
6	Interest Payable	(305)	(462)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	50,055	62,848
11	Total Adjustments	356,388	190,528
12	Net Cash From Operating Activities	632,719	476,330
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(600,473)	(601,439)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	12,983	(9,023)
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	6,993	39,089
23	Net Cash From Investing Activities	(580,497)	(571,373)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(36,591)	(34,752)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(850)	(100,850)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(37,441)	(135,602)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	14,781	(230,645)
34	Cash & Cash Equivalents At Beginning Of Year	444,400	675,045
35	Cash & Cash Equivalents At End Of Year	$459,181	$444,400

Edwards Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1988	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$286,983	$254,578
2	Network Access Services	376,964	343,178
3	Long Distance Network Services	789,154	704,651
4	Miscellaneous Revenues	35,608	37,224
5	Uncollectible Revenues	(9,994)	(5,891)
6	Total Operating Revenues	$1,478,715	$1,333,740
7	Access Lines in Service	1,693	1,657
8	Total Revenue per Access Line	$873	$805
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$2,876	$3,037
2	General Support Services	17,906	15,335
3	Central Office Switching	16,406	17,940
4	Operator Systems Expense		85
5	Central Office Transmission	23,127	17,934
6	Info. Origination/Termination	1,382	1,414
7	Cable & Wire Facilities	41,054	62,807
8	Total Plant Specific Operations	$102,751	$118,552
9	Other Plant, Prop, & Equip.	$758	$334
10	Network Operations	48,338	54,243
11	Access Expense		
12	Depreciation & Amortization Exp.	341,014	298,864
13	Total Plant Nonspecific Operations	$390,110	$353,441
14	Marketing Expense	$7,533	$7,368
15	Services Expense	148,105	135,140
16	Total Customer Operations	$155,638	$142,508
17	Executive & Planning	$50,949	$41,274
18	General & Administrative	129,602	129,152
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$180,551	$170,426
21	Total Operations Expenses	$829,050	$784,927

Edwards Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$375,263	$351,042
2 Central Office Assets	1,000,257	845,863
3 Information Origination/Termination	72,450	70,546
4 Cable And Wire Facilities	2,856,233	2,842,373
5 Amortizable Assets	19,490	150
6 Total Plant In Service	$4,323,693	$4,109,974
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	411,434	74,352
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$4,735,127	$4,184,326

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	3.1	2.5
Percent Of Capitalization:		
16 Long Term Debt	45.3	50.3
17 Preferred Stock	0.5	0.6
18 Common Stock & Other Paid In Capital	2.1	2.3
19 Retained Earnings	52.0	46.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	18.7	21.4
21 Pretax Coverage Of Interest Charges	6.4	6.0
22 Common Stock Dividends As A % of Earnings		35.0
23 Return On Common Equity	17.5	21.2

COMMUNICATIONS

Empire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$571,506	$591,505
2	Special Cash Deposits	18,281	18,281
3	Working Cash Advances	410	410
4	Temporary Investments	218,598	200,000
5	Total Cash and Equivalents	808,795	810,196
6	Tel. Accounts Rec.(net)	114,767	150,680
7	Accts.Rec.- Affiliated Cos.	337,489	215,852
8	Accounts Rec. - Other	678,561	405,447
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	1,130,817	771,979
15	Inventories	239,804	242,091
16	Prepayments	79,113	77,774
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	2,258,529	1,902,040
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	(189,458)	(46,449)
21	Investments in Nonaffiliated Cos.	300,002	296,002
22	Nonregulated Investments	13,510	13,510
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent	45,736	102,547
25	Deferred Maintenance & Retirements		
26	Deferred Charges	48,767	2,549
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	218,557	368,159
	REGULATED PLANT		
30	Tel. Plant in Service	12,880,421	12,527,405
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	380,480	127,747
33	- Long Term		
34	Telecommunications Plant Adjustment	417,821	417,821
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	13,678,722	13,072,973
38	Less Depreciation & Amortization	4,257,233	4,098,603
39	Net Telecommunications Plant	9,421,489	8,974,370
40	Total Assets and Other Debits	$11,898,575	$11,244,569

Empire Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$6,832	$43,762
2	Accounts Payable - Other	399,389	133,020
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	58,525	7,699
6	Customers' Deposits	6,895	4,790
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	56,524	123,424
10	Other Taxes - Accrued	6,505	6,054
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	87,283	80,462
14	Total Current Liabilities	621,953	399,211
	LONG-TERM DEBT		
15	Funded Debt		
16	Prem. & Disc. on LT Debt	(7,181)	(7,990)
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt	4,443,972	4,668,571
21	Total Long - Term Debt	4,436,791	4,660,581
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities	52,011	108,592
23	Unamortized Oper. ITC - net	217,741	251,938
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	1,105,397	1,027,933
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,375,149	1,388,463
	STOCKHOLDER'S EQUITY		
30	Common Stock	587,737	587,737
31	Preferred Stock	72,350	72,350
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	(2,912)	(2,912)
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	4,857,487	4,139,139
38	Total Stockholder's Equity	5,514,662	4,796,314
39	Total Liabilities & Other Credits	$11,948,555	$11,244,569

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Empire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$4,263,163	$4,514,646
2	Operating Expenses	2,527,056	2,679,662
3	Net Operating Revenues	1,736,107	1,834,984
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	(1,360)	
9	Total Other Op. Income & Expenses	(1,360)	
	OPERATING TAXES		
10	Investment Tax Credits - Net	(34,197)	(57,635)
11	Federal Income Taxes	287,658	247,930
12	State & Local Income Taxes	106,247	
13	Other Taxes	228,541	334,371
14	Provision-Deferred Op.Income Taxes-Net	177,663	147,339
15	Total Operating Taxes	765,912	672,005
16	Net Operating Income	$968,835	$1,162,979
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$3,301	($1,313)
18	Interest Income	89,204	(80,066)
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	12,305	
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	(143,009)	(4,593)
23	Other Nonoperating Income	30,387	43,934
24	Special Charges	(27,405)	91,689
25	Total Nonop.Income & Expenses	($35,217)	$49,651

Empire Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	4,452	
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		(3,753)
6	Total Nonoperating Taxes	4,452	(3,753)
7	Total Nonoperating Income	(30,765)	45,898
8	Income Available- Fixed Charges	938,070	1,117,081
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	254,994	340,389
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	809	794
12	Other Interest Deductions	2,096	947
13	Total	257,899	342,130
14	Income Before Extraordinary Items	680,171	774,951
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$680,171	$774,951
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$3,676,467	$3,368,437
21	Transferred from Income	680,171	774,951
22	Appropriations		
23	Dividends Dec.- Preferred Stock	4,249	4,249
24	- Common Stock	57,772	
25	Adjustments		
26	Balance End of Year	4,294,617	4,139,139
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,294,617	$4,139,139
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year	($55,449)	
30	Balance End of Year	(198,458)	

Empire Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$780,369	$774,951
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	680,300	772,384
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(150,347)	(267,616)
4	Deferred Taxes & ITCs	(13,544)	101,763
5	Current Income & Other Taxes Payable	(65,251)	
6	Interest Payable	(3,400)	
7	Equity In Loss (Earnings) Of Affiliates	(21,614)	55,449
8	Capitalized AFDUC - Equity	(12,305)	
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	32,171	(39,157)
11	Total Adjustments	446,010	622,823
12	Net Cash From Operating Activities	1,226,379	1,397,774
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(983,109)	(826,589)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(3,794)	
16	Investments In & Advances To Subsidiary & Assoc. Co's.	42,986	
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	2,757	
19	Investments In Subsidiary & Assoc. Co's.		21,335
20	Other Debt & Equity Investments		
21	Other Non-current Assets		24,362
22	Other Cash Flows - Investing Activities	(108,344)	34,856
23	Net Cash From Investing Activities	(1,049,504)	(746,036)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(224,599)	(737,714)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(62,021)	(4,249)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		794
32	Net Cash From Financing Activities	(286,620)	(741,169)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(109,745)	(89,431)
34	Cash & Cash Equivalents At Beginning Of Year	791,915	881,346
35	Cash & Cash Equivalents At End Of Year	$682,170	$791,915

Empire Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$780,954	$798,409
2	Network Access Services	1,682,736	1,475,638
3	Long Distance Network Services	1,401,097	1,864,467
4	Miscellaneous Revenues	413,137	386,557
5	Uncollectible Revenues	(14,761)	(10,425)
6	Total Operating Revenues	$4,263,163	$4,514,646
7	Access Lines in Service	6,402	6,143
8	Total Revenue per Access Line	$666	$735

		1989	1988
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$12,616	$20,592
2	General Support Services	240,741	170,312
3	Central Office Switching	166,022	157,884
4	Operator Systems Expense		
5	Central Office Transmission	6,954	5,257
6	Info. Origination/Termination	48,116	119,801
7	Cable & Wire Facilities	231,678	242,769
8	Total Plant Specific Operations	$706,127	$716,615
9	Other Plant, Prop, & Equip.		
10	Network Operations	333,403	383,326
11	Access Expense		
12	Depreciation & Amortization Exp.	672,443	764,527
13	Total Plant Nonspecific Operations	$1,005,846	$1,147,853
14	Marketing Expense	$10,654	$2,298
15	Services Expense	324,366	352,924
16	Total Customer Operations	$335,020	$355,222
17	Executive & Planning	$116,474	$116,004
18	General & Administrative	363,589	343,968
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$480,063	$459,972
21	Total Operations Expenses	$2,527,056	$2,679,662

Empire Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$2,639,224	$2,501,888
2 Central Office Assets	3,871,117	3,746,756
3 Information Origination/Termination	40,437	211,127
4 Cable And Wire Facilities	6,329,379	6,067,369
5 Amortizable Assets	264	265
6 Total Plant In Service	$12,880,421	$12,527,405
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	380,480	127,747
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition	142,838	142,838
11 Other Plant	274,983	274,983
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$13,678,722	$13,072,973

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	3.9	4.8
Percent Of Capitalization:		
16 Long Term Debt	44.6	49.3
17 Preferred Stock	0.7	0.8
18 Common Stock & Other Paid In Capital	5.9	6.2
19 Retained Earnings	48.8	43.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	18.3	17.2
21 Pretax Coverage Of Interest Charges	5.7	3.5
22 Common Stock Dividends As A % of Earnings	7.4	
23 Return On Common Equity	15.3	17.9

COMMUNICATIONS

The Fishers Island Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$110,812	$102,717
2	Special Cash Deposits	111,135	93,717
3	Working Cash Advances		
4	Temporary Investments	50,000	
5	Total Cash and Equivalents	271,947	196,434
6	Tel. Accounts Rec.(net)	44,165	30,893
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	8,962	6,002
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.	1,358	1,292
14	Total Receivables (net)	54,485	38,187
15	Inventories	21,243	15,570
16	Prepayments	121	3,115
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	347,796	253,306
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	24,043	15,491
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	4,226	
29	Total Noncurrent Assets	28,269	15,491
	REGULATED PLANT		
30	Tel. Plant in Service	794,860	760,752
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term		
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	794,860	760,752
38	Less Depreciation & Amortization	446,668	409,348
39	Net Telecommunications Plant	348,192	351,404
40	Total Assets and Other Debits	$724,257	$620,201

Fishers Island Telephone Corporation, The
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.	$7,311	$5,772
2 Accounts Payable - Other	9,486	15,722
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other		
5 Advance Billing & Payments		
6 Customers' Deposits	150	150
7 Current Maturities - LT Debt		
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	17,617	3,844
10 Other Taxes - Accrued	12,763	4,858
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	139,641	2,331
14 Total Current Liabilities	186,968	32,677
LONG-TERM DEBT		
15 Funded Debt		
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt		
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net		
24 Unamortized Nonoper. ITC - net		
Noncurrent Deferred:		
25 Operating Income Taxes - cr.		12,078
26 Nonoperating Income Taxes - cr.		
27 Other Deferred Credits	6,208	88,925
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	6,208	101,003
STOCKHOLDER'S EQUITY		
30 Common Stock	78,518	78,518
31 Preferred Stock		
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	452,563	408,003
38 Total Stockholder's Equity	531,081	486,521
39 Total Liabilities & Other Credits	$724,257	$620,201

Fishers Island Telephone Corporation, The
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$504,780	$437,251
2	Operating Expenses	397,308	363,236
3	Net Operating Revenues	107,472	74,015
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net		
11	Federal Income Taxes	18,542	11,844
12	State & Local Income Taxes	46,588	22,909
13	Other Taxes		6,946
14	Provision-Deferred Op.Income Taxes-Net		2,455
15	Total Operating Taxes	65,130	44,154
16	Net Operating Income	$42,342	$29,861
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	12,618	9,751
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		1,750
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	55	1,044
24	Special Charges		
25	Total Nonop.Income & Expenses	$12,673	$12,545

Fishers Island Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	12,673	12,545
8	Income Available- Fixed Charges	55,015	42,406
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt		
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	454	
13	Total	454	
14	Income Before Extraordinary Items	54,561	42,406
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$54,561	$42,406
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$408,003	$375,597
21	Transferred from Income	54,561	42,406
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	10,000	10,000
25	Adjustments		
26	Balance End of Year	452,564	408,003
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$452,564	$408,003
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Fishers Island Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$54,561	$42,406
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	44,950	45,381
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	132,318	14,596
4	Deferred Taxes & ITCs		2,456
5	Current Income & Other Taxes Payable		
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(12,775)	
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(91,801)	1,885
11	Total Adjustments	72,692	64,318
12	Net Cash From Operating Activities	127,253	106,724
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(41,740)	(72,777)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(41,740)	(72,777)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt		
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(10,000)	(10,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(10,000)	(10,000)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	75,513	23,947
34	Cash & Cash Equivalents At Beginning Of Year	146,434	122,487
35	Cash & Cash Equivalents At End Of Year	$221,947	$146,434

Fishers Island Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$60,691	$44,405
2	Network Access Services	213,761	195,351
3	Long Distance Network Services	35,931	34,295
4	Miscellaneous Revenues	194,397	163,200
5	Uncollectible Revenues		
6	Total Operating Revenues	$504,780	$437,251
7	Access Lines in Service	904	875
8	Total Revenue per Access Line	$558	$500
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$5,498	$7,536
2	General Support Services	6,195	7,249
3	Central Office Switching	41,000	42,235
4	Operator Systems Expense		46
5	Central Office Transmission	879	
6	Info. Origination/Termination	39,751	29,599
7	Cable & Wire Facilities	58,052	49,513
8	Total Plant Specific Operations	$151,375	$136,178
9	Other Plant, Prop, & Equip.		$7,153
10	Network Operations		
11	Access Expense	4,931	8,559
12	Depreciation & Amortization Exp.	44,950	45,381
13	Total Plant Nonspecific Operations	$49,881	$61,093
14	Marketing Expense		$173
15	Services Expense	19,354	22,216
16	Total Customer Operations	$19,354	$22,389
17	Executive & Planning		
18	General & Administrative	176,698	143,576
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$176,698	$143,576
21	Total Operations Expenses	$397,308	$363,236

Fishers Island Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$106,889	$102,367
2 Central Office Assets	225,956	226,169
3 Information Origination/Termination	128,965	108,464
4 Cable And Wire Facilities	257,168	253,169
5 Amortizable Assets	6,845	13,323
6 Total Plant In Service	$725,823	$703,492
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term	2,173	
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant	66,864	57,260
13 Goodwill		
14 Total Telecommunications Plant	$794,860	$760,752

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	1.9	7.8
Percent Of Capitalization:		
16 Long Term Debt		
17 Preferred Stock		
18 Common Stock & Other Paid In Capital	14.8	16.1
19 Retained Earnings	85.2	83.9

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	10.8	9.7
21 Pretax Coverage Of Interest Charges		
22 Common Stock Dividends As A % of Earnings	18.3	23.6
23 Return On Common Equity	10.7	9.0

COMMUNICATIONS

Germantown Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$547,175	$230,746
2	Special Cash Deposits	100	100
3	Working Cash Advances	120	120
4	Temporary Investments		
5	Total Cash and Equivalents	$547,395	$230,966
6	Tel. Accounts Rec.(net)	$159,092	$142,734
7	Accts.Rec.- Affiliated Cos.	32,000	22,294
8	Accounts Rec. - Other	134,396	89,315
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$325,488	$254,343
15	Inventories	$35,018	$31,868
16	Prepayments	28,024	27,550
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$935,925	$544,727
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	$127,821	$113,753
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	20,953	21,907
24	Sinking Funds & Other Noncurrent	108,901	58,425
25	Deferred Maintenance & Retirements		92
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$257,675	$194,177
	REGULATED PLANT		
30	Tel. Plant in Service	$3,510,886	$3,429,122
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	18,148	1,204
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$3,529,034	$3,430,326
38	Less Depreciation & Amortization	841,466	738,237
39	Net Telecommunications Plant	$2,687,568	$2,692,089
40	Total Assets and Other Debits	$3,881,168	$3,430,993

Germantown Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$8,097	$1,782
2	Accounts Payable - Other	147,070	118,463
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	14,695	9,480
6	Customers' Deposits	630	770
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	(591)	(1,152)
10	Other Taxes - Accrued	10,118	3,571
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	20,623	19,986
14	Total Current Liabilities	200,642	152,900
	LONG-TERM DEBT		
15	Funded Debt	1,601,521	1,641,473
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt	24,000	24,000
21	Total Long - Term Debt	1,625,521	1,665,473
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	126,279	140,274
24	Unamortized Nonoper. ITC - net	7,126	8,908
	Noncurrent Deferred:	161,877	
25	Operating Income Taxes - cr.		94,522
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	90,779	44,704
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	386,061	288,408
	STOCKHOLDER'S EQUITY		
30	Common Stock	80,000	80,000
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,588,944	1,244,212
38	Total Stockholder's Equity	1,668,944	1,324,212
39	Total Liabilities & Other Credits	$3,881,168	$3,430,993

Germantown Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,806,849	$1,576,916
2	Operating Expenses	1,134,573	964,229
3	Net Operating Revenues	$672,276	$612,687
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net		(16,099)
11	Federal Income Taxes	39,841	53,876
12	State & Local Income Taxes		
13	Other Taxes	108,478	93,600
14	Provision-Deferred Op.Income Taxes-Net	143,728	114,436
15	Total Operating Taxes	$292,047	$245,813
16	Net Operating Income	$380,229	$366,874
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	30,696	
19	Income-Sinking & Other Funds		(10,482)
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	14,068	(15,294)
23	Other Nonoperating Income	5,692	
24	Special Charges	(1,769)	364
25	Total Nonop. Income & Expenses	$48,687	($25,412)

Germantown Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1989
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($15,777)	($897)
2	Federal Income Taxes	11,015	2,168
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		(1,266)
6	Total Nonoperating Taxes	($4,762)	$5
7	Total Nonoperating Income	53,449	(25,407)
8	Income Available- Fixed Charges	$433,678	$392,281
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	81,030	79,807
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	954	954
12	Other Interest Deductions	2,962	5,910
13	Total	$84,946	$86,671
14	Income Before Extraordinary Items	$348,732	$305,610
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		(2,127)
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		($2,127)
19	NET INCOME	$348,732	$303,483
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	1,244,212	944,729
21	Transferred from Income	348,732	303,483
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	4,000	4,000
25	Adjustments		
26	Balance End of Year	$1,588,944	$1,244,212
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,588,944	$1,244,212
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Germantown Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$348,732	$303,483
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	228,223	222,060
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(18,171)	(29,774)
4	Deferred Taxes & ITCs	97,653	70,371
5	Current Income & Other Taxes Payable	7,108	
6	Interest Payable	(249)	(45,981)
7	Equity In Loss (Earnings) Of Affiliates	(14,068)	(15,294)
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(9,082)	9,676
11	Total Adjustments	291,414	211,058
12	Net Cash From Operating Activities	640,146	514,541
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(203,170)	(771,666)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(3,391)	(4,983)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(22,728)	(3,274)
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(50,476)	(11,929)
23	Net Cash From Investing Activities	(279,765)	(791,852)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(39,952)	254,351
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(4,000)	(4,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(43,952)	250,351
33	Net Incr./(Decr.) In Cash & Cash Equivalents	316,429	(26,960)
34	Cash & Cash Equivalents At Beginning Of Year	230,966	257,926
35	Cash & Cash Equivalents At End Of Year	$547,395	$230,966

Germantown Telephone Company, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$503,882	$485,981
2	Network Access Services	664,970	569,033
3	Long Distance Network Services	414,902	358,179
4	Miscellaneous Revenues	230,875	181,260
5	Uncollectible Revenues	(7,780)	(17,537)
6	Total Operating Revenues	$1,806,849	$1,576,916
7	Access Lines in Service	2,054	2,004
8	Total Revenue per Access Line	$880	$787
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$9,894	$5,075
2	General Support Services	67,660	65,688
3	Central Office Switching	75,700	77,902
4	Operator Systems Expense		
5	Central Office Transmission	18,491	17,328
6	Info. Origination/Termination	13,043	19,588
7	Cable & Wire Facilities	55,322	55,938
8	Total Plant Specific Operations	$240,110	$241,519
9	Other Plant, Prop, & Equip.		$1,528
10	Network Operations	113,717	64,224
11	Access Expense		
12	Depreciation & Amortization Exp.	227,269	221,106
13	Total Plant Nonspecific Operations	$340,986	$286,858
14	Marketing Expense	$21,657	$3,188
15	Services Expense	153,264	155,232
16	Total Customer Operations	$174,921	$158,420
17	Executive & Planning	$123,230	$68,870
18	General & Administrative	255,326	208,562
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$378,556	$277,432
21	Total Operations Expenses	$1,134,573	$964,229

Germantown Telephone Company, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$593,062	$550,597
2	Central Office Assets	856,579	928,997
3	Information Origination/Termination	196,456	197,727
4	Cable And Wire Facilities	1,790,213	1,679,669
5	Amortizable Assets	74,576	72,132
6	Total Plant In Service	$3,510,886	$3,429,122
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	18,148	1,204
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$3,529,034	$3,430,326

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	4.7	3.6
	Percent Of Capitalization:		
16	Long Term Debt	49.3	55.7
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	2.4	2.7
19	Retained Earnings	48.2	41.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	19.30	19.20
21	Pretax Coverage Of Interest Charges	7.21	6.28
22	Common Stock Dividends As A % of Earnings	1.15	1.32
23	Return On Common Equity	23.30	25.84

COMMUNICATIONS

The Hancock Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$4,772	$1,965
2	Special Cash Deposits	52,345	31,256
3	Working Cash Advances	115	115
4	Temporary Investments	276,810	241,620
5	Total Cash and Equivalents	334,042	274,956
6	Tel. Accounts Rec.(net)	117,664	100,245
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	161,672	132,046
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other	48,659	50,300
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	327,995	282,591
15	Inventories	57,129	42,343
16	Prepayments	36,298	37,589
17	Other Current Assets	21,700	20,027
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	777,164	657,506
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	80,724	73,700
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	22,688	23,073
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	848	46
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	104,260	96,819
	REGULATED PLANT		
30	Tel. Plant in Service	2,708,855	2,552,800
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term		
33	- Long Term		
34	Telecommunications Plant Adjustment	72,459	72,459
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	2,781,314	2,625,259
38	Less Depreciation & Amortization	701,811	592,156
39	Net Telecommunications Plant	2,079,503	2,033,103
40	Total Assets and Other Debits	$2,960,927	$2,787,428

Hancock Telephone Company, The
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	113,450	98,729
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	19,735	11,800
6	Customers' Deposits	2,309	2,509
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	15,631	(1,602)
10	Other Taxes - Accrued	3,507	631
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	10,610	6,893
14	Total Current Liabilities	165,242	118,960
	LONG-TERM DEBT		
15	Funded Debt	1,575,261	1,594,250
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt	25,325	34,264
21	Total Long - Term Debt	1,600,586	1,628,514
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	82,408	91,106
24	Unamortized Nonoper. ITC - net	3,854	4,259
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	143,164	86,966
26	Nonoperating Income Taxes - cr.	1,309	1,309
27	Other Deferred Credits	33,853	16,866
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	264,588	200,506
	STOCKHOLDER'S EQUITY		
30	Common Stock	60,000	60,000
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	870,511	779,448
38	Total Stockholder's Equity	930,511	839,448
39	Total Liabilities & Other Credits	$2,960,927	$2,787,428

Hancock Telephone Company, The
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,344,236	$1,190,252
2	Operating Expenses	956,541	846,105
3	Net Operating Revenues	387,695	344,147
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(8,698)	(6,528)
11	Federal Income Taxes	22,411	4,805
12	State & Local Income Taxes		
13	Other Taxes	86,626	81,836
14	Provision-Deferred Op.Income Taxes-Net	73,185	51,648
15	Total Operating Taxes	173,524	131,761
16	Net Operating Income	$214,171	$212,386
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	31,627	13,002
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(39,500)
24	Special Charges	(11,161)	(6,129)
25	Total Nonop.Income & Expenses	$20,466	($32,627)

Hancock Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($405)	($405)
2	Federal Income Taxes	4,920	(1,593)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		(3,403)
6	Total Nonoperating Taxes	4,515	(5,401)
7	Total Nonoperating Income	15,951	(27,226)
8	Income Available- Fixed Charges	230,122	185,160
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	116,895	93,694
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	385	385
12	Other Interest Deductions	179	5,185
13	Total	117,459	99,264
14	Income Before Extraordinary Items	112,663	85,896
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$112,663	$85,896
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$779,448	$707,952
21	Transferred from Income	112,663	85,896
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	21,600	14,400
25	Adjustments		
26	Balance End of Year	870,511	779,448
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$870,511	$779,448

The Hancock Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$112,663	$85,896
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	158,379	141,676
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(22,267)	(48,771)
4	Deferred Taxes & ITCs	64,082	40,714
5	Current Income & Other Taxes Payable	20,109	(4,754)
6	Interest Payable	3,717	(8,808)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(2,430)	35,787
11	Total Adjustments	221,590	155,844
12	Net Cash From Operating Activities	334,253	241,740
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(236,245)	(282,472)
14	Acquisition Of Other Non-current Assets	(1,673)	(2,427)
15	Payments - Acq. Of Other Debt & Equity Securities	(7,024)	(48,900)
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	19,303	8,769
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(225,639)	(325,030)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(27,928)	618,284
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		(370,000)
28	Dividends Paid	(21,600)	(14,400)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(49,528)	233,884
33	Net Incr./(Decr.) In Cash & Cash Equivalents	59,086	150,594
34	Cash & Cash Equivalents At Beginning Of Year	274,956	124,362
35	Cash & Cash Equivalents At End Of Year	$334,042	$274,956

The Hancock Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1988	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$231,268	$289,638
2	Network Access Services	477,474	376,226
3	Long Distance Network Services	444,212	413,497
4	Miscellaneous Revenues	193,682	113,191
5	Uncollectible Revenues	(2,400)	(2,300)
6	Total Operating Revenues	$1,344,236	$1,190,252
7	Access Lines in Service	1,407	1,364
8	Total Revenue per Access Line	$955	$873
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$7,789	$8,498
2	General Support Services	66,044	56,178
3	Central Office Switching	47,626	50,050
4	Operator Systems Expense		
5	Central Office Transmission	2,388	5,431
6	Info. Origination/Termination	50,552	42,079
7	Cable & Wire Facilities	135,378	115,593
8	Total Plant Specific Operations	$309,777	$277,829
9	Other Plant, Prop, & Equip.		
10	Network Operations		309
11	Access Expense		
12	Depreciation & Amortization Exp.	157,994	141,292
13	Total Plant Nonspecific Operations	$157,994	$141,601
14	Marketing Expense	$623	$312
15	Services Expense	132,363	113,452
16	Total Customer Operations	$132,986	$113,764
17	Executive & Planning	$169,296	$136,153
18	General & Administrative	186,488	176,759
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$355,784	$312,912
21	Total Operations Expenses	$956,541	$846,106

The Hancock Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$909,752	$780,703
2	Central Office Assets	727,193	708,571
3	Information Origination/Termination	88,152	85,031
4	Cable And Wire Facilities	983,758	978,495
5	Amortizable Assets		
6	Total Plant In Service	$2,708,855	$2,552,800
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term		
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant	72,459	72,459
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$2,781,314	$2,625,259

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	4.7	5.5
	Percent Of Capitalization:		
16	Long Term Debt	63.2	66.0
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	2.4	2.4
19	Retained Earnings	34.4	31.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	8.4	7.2
21	Pretax Coverage Of Interest Charges	2.7	2.3
22	Common Stock Dividends As A % of Earnings	19.2	16.8
23	Return On Common Equity	12.7	10.7

COMMUNICATIONS

Highland Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$401,370	$555,447
2	Special Cash Deposits	1,000	1,000
3	Working Cash Advances	2,950	2,950
4	Temporary Investments		
5	Total Cash and Equivalents	405,320	559,397
6	Tel. Accounts Rec.(net)	4,249,369	3,175,806
7	Accts.Rec.- Affiliated Cos.	1,355,027	398,849
8	Accounts Rec. - Other	1,024,813	476,851
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	6,629,209	4,051,506
15	Inventories	943,940	438,796
16	Prepayments	737,921	680,724
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	8,716,390	5,730,423
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	249,750	249,750
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	108,340	123,689
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	(595,345)	302,882
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	(237,255)	676,321
	REGULATED PLANT		
30	Tel. Plant in Service	87,005,556	79,953,882
31	Property Held - Future Tel. Use	57,484	100,029
	Tel. Plant Under Construction:		
32	- Short Term	2,577,855	4,766,368
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	89,640,895	84,820,279
38	Less Depreciation & Amortization	28,012,190	24,028,845
39	Net Telecommunications Plant	61,628,705	60,791,434
40	Total Assets and Other Debits	$70,107,840	$67,198,178

Highland Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$818,155	$963,685
2	Accounts Payable - Other	3,952,877	3,949,893
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	6,000,000	5,000,000
5	Advance Billing & Payments	298,355	247,840
6	Customers' Deposits	437,946	413,079
7	Current Maturities - LT Debt	132,500	132,500
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	126,838	33,743
10	Other Taxes - Accrued	295,814	331,054
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	1,146,178	1,220,135
14	Total Current Liabilities	13,208,663	12,291,929
	LONG-TERM DEBT		
15	Funded Debt	12,342,500	12,475,000
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.	1,500,000	1,500,000
20	Other Long Term Debt		
21	Total Long - Term Debt	13,842,500	13,975,000
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net		2,351,470
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	9,669,000	7,239,570
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	10,739	2,272
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	9,679,739	9,593,312
	STOCKHOLDER'S EQUITY		
30	Common Stock	2,280,411	2,280,411
31	Preferred Stock	2,541,400	2,549,400
32	Additional Paid-in Capital	683,326	688,593
33	Treasury Stock		
34	Other Capital	7,005,266	7,000,000
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	20,866,535	18,819,533
38	Total Stockholder's Equity	33,376,938	31,337,937
39	Total Liabilities & Other Credits	$70,107,840	$67,198,178

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Highland Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$32,933,315	$29,538,330
2	Operating Expenses	19,729,853	18,653,896
3	Net Operating Revenues	13,203,462	10,884,434
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(266,300)	(262,900)
11	Federal Income Taxes	2,304,044	1,210,878
12	State & Local Income Taxes		
13	Other Taxes	2,702,494	2,546,222
14	Provision-Deferred Op.Income Taxes-Net	344,260	927,080
15	Total Operating Taxes	5,084,498	4,421,280
16	Net Operating Income	$8,118,964	$6,463,154
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	30,256	43,421
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	191,690	148,630
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(1,127,317)	120,512
25	Total Nonop.Income & Expenses	($905,371)	$312,563

Highland Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	63,051	21,892
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	63,051	21,892
7	Total Nonoperating Income	(968,422)	290,671
8	Income Available- Fixed Charges	7,150,542	6,753,825
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	1,169,117	1,179,787
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	15,349	15,510
12	Other Interest Deductions	554,664	528,136
13	Total	1,739,130	1,723,433
14	Income Before Extraordinary Items	5,411,412	5,030,392
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$5,411,412	$5,030,392
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$18,819,541	$16,883,344
21	Transferred from Income	5,411,412	5,030,392
22	Appropriations		
23	Dividends Dec.- Preferred Stock	162,413	163,671
24	- Common Stock	3,202,710	2,930,524
25	Adjustments	705	
26	Balance End of Year	20,866,535	18,819,541
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$20,866,535	$18,819,541

Highland Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$5,411,411	$5,030,392
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	5,638,305	6,034,308
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(3,223,968)	418,056
4	Deferred Taxes & ITCs	77,960	664,180
5	Current Income & Other Taxes Payable	57,855	(139,466)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	191,690	148,630
9	Dividends Recieved - Assoc. & Subsid. Co's.		(52,221)
10	Other Adjustments	864,845	(44,913)
11	Total Adjustments	3,606,687	7,028,574
12	Net Cash From Operating Activities	9,018,098	12,058,966
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(6,667,258)	(9,159,324)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(6,667,258)	(9,159,324)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(132,500)	
25	Common Stock		(8,000)
26	Preferred Stock	(8,000)	(265,000)
27	Short-term Debt	1,000,000	(1,000,000)
28	Dividends Paid	(3,365,125)	(3,094,195)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	708	
32	Net Cash From Financing Activities	(2,504,917)	(4,367,195)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(154,077)	(1,467,553)
34	Cash & Cash Equivalents At Beginning Of Year	555,447	2,026,950
35	Cash & Cash Equivalents At End Of Year	$401,370	$559,397

Highland Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$6,711,981	$6,122,635
2 Network Access Services	11,719,910	10,975,455
3 Long Distance Network Services	6,610,766	6,348,165
4 Miscellaneous Revenues	8,247,810	6,284,355
5 Uncollectible Revenues	(357,152)	(192,280)
6 Total Operating Revenues	$32,933,315	$29,538,330
7 Access Lines in Service	47,942	47,238
8 Total Revenue per Access Line	$687	$625
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$48,783	$98,504
2 General Support Services	1,181,314	1,171,261
3 Central Office Switching	1,119,413	1,051,751
4 Operator Systems Expense	52,932	86,999
5 Central Office Transmission	257,862	313,005
6 Info. Origination/Termination	816,073	788,563
7 Cable & Wire Facilities	1,659,234	1,509,426
8 Total Plant Specific Operations	$5,135,611	$5,019,509
9 Other Plant, Prop, & Equip.	$11,684	$5,617
10 Network Operations	1,291,088	1,087,966
11 Access Expense		
12 Depreciation & Amortization Exp.	5,638,297	6,034,308
13 Total Plant Nonspecific Operations	$6,941,069	$7,127,891
14 Marketing Expense	$543,883	$363,775
15 Services Expense	3,161,106	2,756,021
16 Total Customer Operations	$3,704,989	$3,119,796
17 Executive & Planning	$1,147,585	$472,216
18 General & Administrative	2,800,599	2,914,484
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	$3,948,184	$3,386,700
21 Total Operations Expenses	$19,729,853	$18,653,896

Highland Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$12,128,224	$11,334,693
2 Central Office Assets	34,173,312	32,295,739
3 Information Origination/Termination	5,832,139	6,171,204
4 Cable And Wire Facilities	34,859,131	30,152,246
5 Amortizable Assets	12,751	
6 Total Plant In Service	$87,005,557	$79,953,882
7 Property Held For Future Use	57,484	100,029
8 Plant Under Construction - Short & Long Term	2,577,855	4,766,368
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant		
13 Goodwill		
14 Total Telecommunications Plant	$89,640,896	$84,820,279

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	0.7	0.5
Percent Of Capitalization:		
16 Long Term Debt	29.3	30.8
17 Preferred Stock	5.4	5.6
18 Common Stock & Other Paid In Capital	21.1	22.0
19 Retained Earnings	44.2	41.5

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	16.4	17.0
21 Pretax Coverage Of Interest Charges	5.5	5.0
22 Common Stock Dividends As A % of Earnings	59.2	58.3
23 Return On Common Equity	17.6	17.5

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Margaretville Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
		----	----
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$309,207	$354,031
2	Special Cash Deposits		
3	Working Cash Advances	225	225
4	Temporary Investments	383,981	355,654
5	Total Cash and Equivalents	$693,413	$709,910
6	Tel. Accounts Rec.(net)	$207,775	$169,431
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	204,576	184,333
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$412,351	$353,764
15	Inventories	$69,370	$47,946
16	Prepayments	35,121	32,005
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$1,210,255	$1,143,625
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	80,219	76,219
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	13,198	13,711
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	2,775	139
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	$96,192	$90,069
	REGULATED PLANT		
30	Tel. Plant in Service	$5,384,166	$4,703,077
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term		256,714
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$5,384,166	$4,959,791
38	Less Depreciation & Amortization	1,730,670	1,495,650
39	Net Telecommunications Plant	$3,653,496	$3,464,141
40	Total Assets and Other Debits	$4,959,943	$4,697,835

Margaretville Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$234,060	$165,006
2	Accounts Payable - Other		
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	30,264	26,196
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	72,494	9,536
10	Other Taxes - Accrued	5,083	7,798
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	37,932	22,414
14	Total Current Liabilities	379,833	230,950
	LONG-TERM DEBT		
15	Funded Debt	1,786,219	1,831,804
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	1,786,219	1,831,804
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	226,818	223,753
24	Unamortized Nonoper. ITC - net	1,976	2,964
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	517,530	502,177
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	101,000	55,159
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	847,324	784,053
	STOCKHOLDER'S EQUITY		
30	Common Stock	130,000	130,000
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,816,567	1,721,028
38	Total Stockholder's Equity	1,946,567	1,851,028
39	Total Liabilities & Other Credits	$4,959,943	$4,697,835

Margaretville Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,982,510	$1,703,236
2	Operating Expenses	1,244,087	1,104,322
3	Net Operating Revenues	$738,423	$598,914
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		45
9	Total Other Op. Income & Expenses		$45
	OPERATING TAXES		
10	Investment Tax Credits - Net	3,065	2,123
11	Federal Income Taxes	119,305	42,884
12	State & Local Income Taxes		
13	Other Taxes	102,684	96,269
14	Provision-Deferred Op.Income Taxes-Net	61,194	118,829
15	Total Operating Taxes	$286,248	$260,105
16	Net Operating Income	$452,175	$338,854
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	982	818
18	Interest Income	52,573	51,140
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(40,500)
24	Special Charges	(14,286)	(13,177)
25	Total Nonop.Income & Expenses	$39,269	($1,719)

Margaretville Telephone Co., Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($988)	($988)
2	Federal Income Taxes	10,789	7,402
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		(1,823)
6	Total Nonoperating Taxes	$9,801	$4,591
7	Total Nonoperating Income	29,468	(6,310)
8	Income Available- Fixed Charges	$481,643	$332,544
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	125,196	134,669
10	Interest Expense-Capital Leases		514
11	Amort. Debt Issuance Expense	513	
12	Other Interest Deductions	395	
13	Total	$126,104	$135,183
14	Income Before Extraordinary Items	$355,539	$197,361
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		68,524
18	Total		$68,524
19	NET INCOME	$355,539	$265,885
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	1,721,028	1,585,143
21	Transferred from Income	355,539	265,885
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	260,000	130,000
25	Adjustments		
26	Balance End of Year	$1,816,567	$1,721,028
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,816,567	$1,721,028

Margaretville Telephone Co., Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$355,539	$265,885
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	294,013	297,735
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	40,635	(4,629)
4	Deferred Taxes & ITCs	63,271	118,141
5	Current Income & Other Taxes Payable	60,243	(2,980)
6	Interest Payable	(100)	(1,600)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(16,234)	29,661
11	Total Adjustments	441,828	436,328
12	Net Cash From Operating Activities	797,367	702,213
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(516,331)	(507,324)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(4,000)	(13,000)
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	12,052	5,042
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(508,279)	(515,282)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(45,585)	(134,611)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(260,000)	(130,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(305,585)	(264,611)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(16,497)	(77,680)
34	Cash & Cash Equivalents At Beginning Of Year	709,910	787,590
35	Cash & Cash Equivalents At End Of Year	$693,413	$709,910

Margaretville Telephone Co., Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$451,335	$436,105
2	Network Access Services	650,133	588,213
3	Long Distance Network Services	603,920	487,626
4	Miscellaneous Revenues	291,122	206,291
5	Uncollectible Revenues	(14,000)	(15,000)
6	Total Operating Revenues	$1,982,510	$1,703,235
7	Access Lines in Service	3,339	3,228
8	Total Revenue per Access Line	$594	$528
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$2,028	$1,657
2	General Support Services	53,350	53,117
3	Central Office Switching	57,187	54,475
4	Operator Systems Expense		
5	Central Office Transmission	3,282	9,184
6	Info. Origination/Termination	33,972	35,682
7	Cable & Wire Facilities	97,222	80,877
8	Total Plant Specific Operations	$247,041	$234,992
9	Other Plant, Prop, & Equip.	$54	
10	Network Operations	54,801	42,663
11	Access Expense		
12	Depreciation & Amortization Exp.	293,500	297,221
13	Total Plant Nonspecific Operations	$348,355	$339,884
14	Marketing Expense	$1,765	$6,037
15	Services Expense	182,099	160,426
16	Total Customer Operations	$183,864	$166,463
17	Executive & Planning	$159,159	$121,834
18	General & Administrative	305,668	240,607
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$464,827	$362,441
21	Total Operations Expenses	$1,244,087	$1,103,780

Margaretville Telephone Co., Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$612,758	$550,405
2	Central Office Assets	2,043,065	1,657,284
3	Information Origination/Termination	283,151	310,661
4	Cable And Wire Facilities	2,444,902	2,184,437
5	Amortizable Assets	290	290
6	Total Plant In Service	$5,384,166	$4,703,077
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term		256,714
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$5,384,166	$4,959,791

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	3.2	5.6
	Percent Of Capitalization:		
16	Long Term Debt	47.9	53.4
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	3.5	3.5
19	Retained Earnings	48.7	43.1

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	17.9	15.6
21	Pretax Coverage Of Interest Charges	5.4	3.0
22	Common Stock Dividends As A % of Earnings	73.1	48.9
23	Return On Common Equity	18.7	14.9

COMMUNICATIONS

The Middleburgh Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$390,051	$562,185
2	Special Cash Deposits		
3	Working Cash Advances	415	415
4	Temporary Investments		50,000
5	Total Cash and Equivalents	390,466	612,600
6	Tel. Accounts Rec.(net)	276,394	243,114
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	165,581	136,078
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	441,975	379,192
15	Inventories	490,275	598,499
16	Prepayments	49,962	100,446
17	Other Current Assets		3,227
18	Current Deferred Inc. Taxes (Dr.)	3,335	
19	Total Current Assets	1,376,013	1,693,964
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	167,150	163,150
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	19,836	20,521
24	Sinking Funds & Other Noncurrent	39,859	
25	Deferred Maintenance & Retirements		
26	Deferred Charges	1,038	231
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	227,883	183,902
	REGULATED PLANT		
30	Tel. Plant in Service		9,086,791
31	Property Held - Future Tel. Use	9,886,429	
	Tel. Plant Under Construction:		
32	- Short Term	127,403	1,421,853
33	- Long Term		
34	Telecommunications Plant Adjustment	(50)	(50)
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	10,013,782	10,508,594
38	Less Depreciation & Amortization	1,948,517	3,084,533
39	Net Telecommunications Plant	8,065,265	7,424,061
40	Total Assets and Other Debits	$9,669,161	$9,301,927

Middleburgh Telephone Company, The
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	347,401	496,392
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments		
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	(118,067)	34,842
10	Other Taxes - Accrued	9,432	15,038
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	43,429	44,447
14	Total Current Liabilities	282,195	590,719
	LONG-TERM DEBT		
15	Funded Debt	4,595,091	4,681,027
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	4,595,091	4,681,027
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	198,653	219,493
24	Unamortized Nonoper. ITC - net	9,004	9,931
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	675,375	542,444
26	Nonoperating Income Taxes - cr.	16,540	20,675
27	Other Deferred Credits	242,775	141,538
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,142,347	934,081
	STOCKHOLDER'S EQUITY		
30	Common Stock	100,000	100,000
31	Preferred Stock	93,100	93,100
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	3,456,428	2,903,000
38	Total Stockholder's Equity	3,649,528	3,096,100
39	Total Liabilities & Other Credits	$9,669,161	$9,301,927

Middleburgh Telephone Company, The
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$3,525,049	$3,185,140
2	Operating Expenses	2,202,901	1,899,291
3	Net Operating Revenues	1,322,148	1,285,849
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(20,840)	(20,592)
11	Federal Income Taxes	189,295	309,036
12	State & Local Income Taxes		
13	Other Taxes	275,491	250,757
14	Provision-Deferred Op.Income Taxes-Net	234,168	162,706
15	Total Operating Taxes	678,114	701,907
16	Net Operating Income	$644,034	$583,942
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$595	$595
18	Interest Income	18,715	15,972
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(4,452)	(38,438)
24	Special Charges	(6,692)	(12,715)
25	Total Nonop.Income & Expenses	$8,166	($34,586)

Middleburgh Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($927)	($924)
2	Federal Income Taxes	2,638	4,194
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(4,135)	(3,381)
6	Total Nonoperating Taxes	(2,424)	(111)
7	Total Nonoperating Income	10,590	(26,087)
8	Income Available- Fixed Charges	654,624	557,855
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	276,836	226,397
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	685	464
12	Other Interest Deductions	1,161	13,689
13	Total	278,682	240,550
14	Income Before Extraordinary Items	375,942	317,305
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	206,290	229,877
18	Total	206,290	229,877
19	NET INCOME	$582,232	$547,182
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$2,903,000	$2,403,623
21	Transferred from Income	582,232	547,182
22	Appropriations		
23	Dividends Dec.- Preferred Stock	4,804	4,805
24	- Common Stock	24,000	43,000
25	Adjustments		
26	Balance End of Year	3,456,428	2,903,000
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$3,456,428	$2,903,000

The Middleburgh Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$582,232	$547,182
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	697,258	670,099
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	32,361	265,685
4	Deferred Taxes & ITCs	208,266	137,809
5	Current Income & Other Taxes Payable	(158,515)	(60,680)
6	Interest Payable	(712)	(676)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	20,744	29,233
11	Total Adjustments	799,402	1,041,470
12	Net Cash From Operating Activities	1,381,634	1,588,652
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,461,835)	(2,237,968)
14	Acquisition Of Other Non-current Assets		(206)
15	Payments - Acq. Of Other Debt & Equity Securities	(4,000)	(146,150)
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	16,666	58,749
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(39,859)	
23	Net Cash From Investing Activities	(1,489,028)	(2,325,575)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(85,936)	1,303,629
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		(400,000)
28	Dividends Paid	(28,804)	(47,805)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(114,740)	855,824
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(222,134)	118,901
34	Cash & Cash Equivalents At Beginning Of Year	612,600	493,699
35	Cash & Cash Equivalents At End Of Year	$390,466	$612,600

Middleburgh Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$717,773	$692,434
2	Network Access Services	1,176,836	997,709
3	Long Distance Network Services	1,428,241	1,296,301
4	Miscellaneous Revenues	225,699	218,196
5	Uncollectible Revenues	(23,500)	(19,500)
6	Total Operating Revenues	$3,525,049	$3,185,140
7	Access Lines in Service	5,139	4,968
8	Total Revenue per Access Line	$686	$641
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$13,056	$12,835
2	General Support Services	120,432	76,571
3	Central Office Switching	184,291	150,300
4	Operator Systems Expense		
5	Central Office Transmission	5,429	7,522
6	Info. Origination/Termination	67,224	44,896
7	Cable & Wire Facilities	251,570	219,029
8	Total Plant Specific Operations	$642,002	$511,153
9	Other Plant, Prop, & Equip.	$3,780	$3,011
10	Network Operations	78,865	80,764
11	Access Expense		
12	Depreciation & Amortization Exp.	696,573	669,635
13	Total Plant Nonspecific Operations	$779,218	$753,410
14	Marketing Expense	$5,382	$10,338
15	Services Expense	267,361	211,732
16	Total Customer Operations	$272,743	$222,070
17	Executive & Planning	$156,116	$102,802
18	General & Administrative	352,822	309,856
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$508,938	$412,658
21	Total Operations Expenses	$2,202,901	$1,899,291

Middleburgh Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,707,799	$1,420,779
2	Central Office Assets	2,552,779	2,753,923
3	Information Origination/Termination	467,346	492,245
4	Cable And Wire Facilities	5,158,505	4,419,844
5	Amortizable Assets		
6	Total Plant In Service	$9,886,429	$9,086,791
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	127,403	1,421,853
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant	(50)	(50)
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$10,013,782	$10,508,594

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	4.9	2.9
	Percent Of Capitalization:		
16	Long Term Debt	55.7	60.2
17	Preferred Stock	1.1	1.2
18	Common Stock & Other Paid In Capital	1.2	1.3
19	Retained Earnings	41.9	37.3

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	16.5	17.2
21	Pretax Coverage Of Interest Charges	3.8	4.2
22	Common Stock Dividends As A % of Earnings	4.1	7.9
23	Return On Common Equity	17.6	19.7

COMMUNICATIONS

New York Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1989
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$35,308,569	$13,941,923
2	Special Cash Deposits	388,686	804,696
3	Working Cash Advances	6,145,011	6,771,000
4	Temporary Investments	2,835,056	10,000
5	Total Cash and Equivalents	44,677,322	21,527,619
6	Tel. Accounts Rec.(net)	1,354,444,688	1,411,363,370
7	Accts.Rec.- Affiliated Cos.	78,799,628	27,742,413
8	Accounts Rec. - Other	28,027,476	44,008,341
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other	136,427	145,652
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.	389,891	2,934,580
14	Total Receivables (net)	1,461,798,110	1,486,194,356
15	Inventories	113,074,859	81,382,290
16	Prepayments	78,694,999	38,944,696
17	Other Current Assets	36,176,414	42,726,735
18	Current Deferred Inc. Taxes (Dr.)	72,325,144	17,330,876
19	Total Current Assets	1,806,746,848	1,688,106,572
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	275,973,930	230,322,457
21	Investments in Nonaffiliated Cos.	1,776,585	529,529
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	156,618,825	159,635,172
24	Sinking Funds & Other Noncurrent	14,710,939	13,245,083
25	Deferred Maintenance & Retirements		
26	Deferred Charges	505,890,757	540,120,536
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	20,264,781	8,655,895
29	Total Noncurrent Assets	975,235,817	952,508,672
	REGULATED PLANT		
30	Tel. Plant in Service	17,785,410,776	17,210,741,937
31	Property Held - Future Tel. Use	9,863,621	9,944,971
	Tel. Plant Under Construction:		
32	- Short Term	341,462,420	230,800,700
33	- Long Term	210,050,701	293,385,656
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	6,373,081	6,839,964
36	Goodwill		
37	Total Telecommunications Plant	18,353,160,599	17,751,713,228
38	Less Depreciation & Amortization	6,338,800,559	5,660,970,642
39	Net Telecommunications Plant	12,014,360,040	12,090,742,586
40	Total Assets and Other Debits	$14,796,342,705	$14,731,357,830

New York Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.	$266,027,064	$319,389,870
2 Accounts Payable - Other	972,787,462	766,135,778
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other		
5 Advance Billing & Payments	121,907,937	122,055,181
6 Customers' Deposits	50,639,887	45,642,641
7 Current Maturities - LT Debt	(1,192,126)	
8 Current Maturities - Capital Leases	5,063,796	5,027,592
9 Income Taxes - Accrued	34,131,926	66,244,828
10 Other Taxes - Accrued	51,995,282	57,759,214
11 Current Def. Op. Inc. Taxes - Cr.	33,806,373	74,030,257
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	468,282,492	414,858,209
14 Total Current Liabilities	2,003,450,093	1,871,143,570
LONG-TERM DEBT		
15 Funded Debt	4,077,000,000	4,124,846,000
16 Prem. & Disc. on LT Debt	35,841,746	(36,761,933)
17 Reacquired Debt		
18 Obligations Under Capital Leases	87,510,785	92,378,072
19 Advances from Affil. Cos.		
20 Other Long Term Debt	5,358,875	14,859,344
21 Total Long - Term Debt	4,205,711,406	4,195,321,483
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities	93,207,216	78,949,591
23 Unamortized Oper. ITC - net	403,774,955	458,839,028
24 Unamortized Nonoper. ITC - net		
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	2,366,098,736	2,340,953,239
26 Nonoperating Income Taxes - cr.	914,293	4,501,535
27 Other Deferred Credits	199,184,564	66,095,354
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	3,063,179,764	2,949,338,747
STOCKHOLDER'S EQUITY		
30 Common Stock	3,953,602,290	3,953,602,290
31 Preferred Stock		
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings	5,876,835	14,219,154
37 Unappropriated Retained Earnings	1,632,097,255	1,747,732,586
38 Total Stockholder's Equity	5,591,576,380	5,715,554,030
39 Total Liabilities & Other Credits	$14,863,917,643	$14,731,357,830

New York Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$7,356,784,978	$7,405,277,033
2	Operating Expenses	5,529,841,245	5,239,555,394
3	Net Operating Revenues	1,826,943,733	2,165,721,639
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work	110,416	108,359
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		20,536
8	Other		(250,000)
9	Total Other Op. Income & Expenses	110,416	(121,105)
	OPERATING TAXES		
10	Investment Tax Credits - Net	(56,892,118)	(58,984,095)
11	Federal Income Taxes	277,321,790	352,904,176
12	State & Local Income Taxes	406,727	457,248
13	Other Taxes	805,760,341	802,258,535
14	Provision-Deferred Op.Income Taxes-Net	(77,830,661)	(59,978,340)
15	Total Operating Taxes	948,766,079	1,036,657,524
16	Net Operating Income	$878,288,070	$1,128,943,010
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	7,928,784	5,021,099
19	Income-Sinking & Other Funds	55,456	60,818
20	Allow. for Funds Used During Const.	46,324,043	57,059,486
21	Gains/Losses-Dispos. Certain Property	(43,521)	(546)
22	Equity in Earnings Affiliated Co's.	26,174,602	29,369,383
23	Other Nonoperating Income	(16,180,929)	(586,769)
24	Special Charges	(12,481,569)	(9,713,960)
25	Total Nonop.Income & Expenses	$51,776,866	$81,209,511

New York Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($8,536,676)	
2	Federal Income Taxes		(1,663,542)
3	State & Local Taxes		
4	Other Taxes	588,773	391,747
5	Prov. -Def. Income Taxes-Net	(4,342,121)	(1,339,850)
6	Total Nonoperating Taxes	(12,290,024)	(2,611,645)
7	Total Nonoperating Income	64,066,890	83,821,156
8	Income Available- Fixed Charges	942,354,960	1,212,764,165
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	324,305,866	324,375,145
10	Interest Expense-Capital Leases	11,708,578	12,402,291
11	Amort. Debt Issuance Expense	5,191,972	5,098,538
12	Other Interest Deductions	31,916,809	22,214,139
13	Total	373,123,225	364,090,113
14	Income Before Extraordinary Items	569,231,735	848,674,052
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	8,658,615	2,884,423
18	Total	8,658,615	2,884,423
19	NET INCOME	$577,890,350	$851,558,475
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$1,747,732,586	$1,581,995,633
21	Transferred from Income	586,232,669	850,408,953
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	701,868,000	684,672,000
25	Adjustments		
26	Balance End of Year	1,632,097,255	1,747,732,586
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,632,097,255	$1,747,732,586
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year	$14,219,154	$13,069,632
30	Balance End of Year	26,174,602	14,219,154

New York Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$577,890,000	$851,558,000
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,355,780,000	1,282,288,000
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	397,012,000	(15,156,000)
4	Deferred Taxes & ITCs	(139,065,000)	(120,302,000)
5	Current Income & Other Taxes Payable	(37,877,000)	(52,146,000)
6	Interest Payable	(1,149,000)	(2,367,000)
7	Equity In Loss (Earnings) Of Affiliates	(25,998,000)	(29,369,000)
8	Capitalized AFDUC - Equity	(32,682,000)	(40,255,000)
9	Dividends Recieved - Assoc. & Subsid. Co's.	36,452,000	28,220,000
10	Other Adjustments	100,353,000	105,792,000
11	Total Adjustments	1,652,826,000	1,156,705,000
12	Net Cash From Operating Activities	2,230,716,000	2,008,263,000
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,207,943,000)	(1,490,368,000)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(54,000,000)	(30,000,000)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(8,033,000)	(35,779,000)
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(1,269,976,000)	(1,556,147,000)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(59,939,000)	
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(173,435,000)	148,000,000
28	Dividends Paid	(697,569,000)	(675,663,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases	(5,113,000)	5,267,000
31	Other Cash Flows - Financing Activities	(1,535,000)	
32	Net Cash From Financing Activities	(937,591,000)	(522,396,000)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	23,149,000	(70,280,000)
34	Cash & Cash Equivalents At Beginning Of Year	21,528,000	91,808,000
35	Cash & Cash Equivalents At End Of Year	$44,677,000	$21,528,000

New York Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$4,311,317,699	$4,284,628,090
2	Network Access Services	2,268,888,836	2,243,111,564
3	Long Distance Network Services	390,727,024	420,579,739
4	Miscellaneous Revenues	465,741,419	517,581,589
5	Uncollectible Revenues	(79,890,000)	(60,623,949)
6	Total Operating Revenues	$7,356,784,978	$7,405,277,033
7	Access Lines in Service	9,404,381	9,421,633
8	Total Revenue per Access Line	$782	$786
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$7,677,600	$8,438,433
2	General Support Services	567,461,745	564,823,401
3	Central Office Switching	265,877,501	275,126,145
4	Operator Systems Expense	2,589,572	(1,091,960)
5	Central Office Transmission	87,834,011	84,484,112
6	Info. Origination/Termination	265,012,509	228,833,804
7	Cable & Wire Facilities	490,909,191	506,927,712
8	Total Plant Specific Operations	1,687,362,129	1,667,541,647
9	Other Plant, Prop, & Equip.	2,087,740	1,012,057
10	Network Operations	611,490,243	658,488,065
11	Access Expense		
12	Depreciation & Amortization Exp.	1,349,219,877	1,275,870,877
13	Total Plant Nonspecific Operations	1,962,797,860	1,935,370,999
14	Marketing Expense	234,240,507	253,098,606
15	Services Expense	627,050,089	647,959,655
16	Total Customer Operations	861,290,596	901,058,261
17	Executive & Planning	12,720,113	9,938,008
18	General & Administrative	1,005,670,547	725,646,479
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	1,018,390,660	735,584,487
21	Total Operations Expenses	$5,529,841,245	$5,239,555,394

New York Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,326,860,421	$2,293,410,176
2	Central Office Assets	7,741,112,519	7,409,471,502
3	Information Origination/Termination	1,593,932,416	1,586,237,560
4	Cable And Wire Facilities	5,789,720,130	5,593,068,889
5	Amortizable Assets	333,785,291	328,553,811
6	Total Plant In Service	17,785,410,777	17,210,741,938
7	Property Held For Future Use	9,863,621	9,944,971
8	Plant Under Construction - Short & Long Term	551,513,121	524,186,356
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	6,373,081	6,389,964
13	Goodwill		
14	Total Telecommunications Plant	$18,353,160,600	$17,751,263,229

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.9	0.9
	Percent Of Capitalization:		
16	Long Term Debt	42.5	42.3
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	40.7	40.1
19	Retained Earnings	16.8	17.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	7.9	11.5
21	Pretax Coverage Of Interest Charges	3.6	4.6
22	Common Stock Dividends As A % of Earnings	121.5	80.4
23	Return On Common Equity	10.2	15.1

COMMUNICATIONS

Newport Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$219	$18,036
2	Special Cash Deposits		
3	Working Cash Advances	300	300
4	Temporary Investments	135,656	150,698
5	Total Cash and Equivalents	136,175	169,034
6	Tel. Accounts Rec.(net)	165,994	141,668
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	148,500	154,458
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	314,494	296,126
15	Inventories	214,849	224,240
16	Prepayments	60,731	53,213
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	726,249	742,613
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	(77,723)	
21	Investments in Nonaffiliated Cos.	134,000	134,000
22	Nonregulated Investments	911	139,800
23	Unamortized Debt Issuance Expense	27,724	28,911
24	Sinking Funds & Other Noncurrent	14,717	
25	Deferred Maintenance & Retirements		
26	Deferred Charges	691	
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	100,320	302,711
	REGULATED PLANT		
30	Tel. Plant in Service	5,362,170	5,071,818
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	172,592	60,734
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	5,534,762	5,132,552
38	Less Depreciation & Amortization	2,031,608	1,711,849
39	Net Telecommunications Plant	3,503,154	3,420,703
40	Total Assets and Other Debits	$4,329,723	$4,466,027

Newport Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.		
2 Accounts Payable - Other	$153,267	$90,696
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other	125,524	111,314
5 Advance Billing & Payments	13,325	15,944
6 Customers' Deposits	3,245	3,250
7 Current Maturities - LT Debt		
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	(9,710)	10,399
10 Other Taxes - Accrued	475	502
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	171,113	151,757
14 Total Current Liabilities	457,239	383,862
LONG-TERM DEBT		
15 Funded Debt	2,621,586	2,683,151
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	2,621,586	2,683,151
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net	88,314	98,500
24 Unamortized Nonoper. ITC - net	8,042	10,053
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	159,980	151,193
26 Nonoperating Income Taxes - cr.	8,316	12,474
27 Other Deferred Credits	12,073	84,302
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	276,725	356,522
STOCKHOLDER'S EQUITY		
30 Common Stock	148,150	148,150
31 Preferred Stock	110,000	110,000
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	716,293	784,342
38 Total Stockholder's Equity	974,443	1,042,492
39 Total Liabilities & Other Credits	$4,329,993	$4,466,027

Newport Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$2,271,635	$2,371,872
2	Operating Expenses	1,873,630	1,850,805
3	Net Operating Revenues	$398,005	$521,067
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net		2,925
11	Federal Income Taxes	210	20,356
12	State & Local Income Taxes		
13	Other Taxes	164,542	161,593
14	Provision-Deferred Op.Income Taxes-Net	8,787	27,893
15	Total Operating Taxes	$173,539	$212,767
16	Net Operating Income	$224,466	$308,300
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	11,958	4,730
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	(139,746)	(52,756)
23	Other Nonoperating Income	(3,000)	(33,500)
24	Special Charges	(1,975)	(2,155)
25	Total Nonop.Income & Expenses	($132,763)	($83,681)

Newport Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($12,197)	($15,123)
2	Federal Income Taxes		(3,034)
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(4,158)	(8,191)
6	Total Nonoperating Taxes	($16,355)	($26,348)
7	Total Nonoperating Income	(116,408)	(57,333)
8	Income Available- Fixed Charges	$108,058	$250,967
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	133,447	126,303
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,187	1,088
12	Other Interest Deductions	18,221	16,625
13	Total	$152,855	$144,016
14	Income Before Extraordinary Items	($44,797)	$106,951
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	($44,797)	$106,951
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	784,342	700,643
21	Transferred from Income	(44,797)	106,951
22	Appropriations		
23	Dividends Dec.- Preferred Stock	6,600	6,600
24	- Common Stock	16,652	16,652
25	Adjustments		
26	Balance End of Year	$716,293	$784,342
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$716,293	$784,342

Newport Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31

	1989	1988
CASH FLOWS FROM OPERATING ACTIVITIES		
1 Net Income	($44,797)	$106,951
Reconcile Net Income To Net Cash -Oper. Activities:		
2 Depr., Depl. & Amort.	363,922	363,946
Increase/(Decrease):		
3 Payables, Rec., Accrued Exp. & Inventories-Net	49,822	(53,207)
4 Deferred Taxes & ITCs	(7,568)	857
5 Current Income & Other Taxes Payable	(20,136)	20,123
6 Interest Payable	(202)	(201)
7 Equity In Loss (Earnings) Of Affiliates	139,746	52,756
8 Capitalized AFDUC - Equity		
9 Dividends Recieved - Assoc. & Subsid. Co's.		
10 Other Adjustments	(10,993)	11,633
11 Total Adjustments	514,591	395,907
12 Net Cash From Operating Activities	469,794	502,858
CASH FLOWS FROM INVESTING ACTIVITIES		
13 Total Cash Outflows For Construction	(357,359)	(519,225)
14 Acquisition Of Other Non-current Assets		
15 Payments - Acq. Of Other Debt & Equity Securities		
16 Investments In & Advances To Subsidiary & Assoc. Co's.	(62,023)	
17 Repayments Of Advances By Subsidiary & Assoc. Co's.		
Net Proceeds - Sale Or Disposition Of:		
18 Property, Plant & Equipment	2,323	(4,086)
19 Investments In Subsidiary & Assoc. Co's.		(8,835)
20 Other Debt & Equity Investments		
21 Other Non-current Assets		
22 Other Cash Flows - Investing Activities	(14,717)	
23 Net Cash From Investing Activities	(431,776)	(532,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds (Payments) - Issuing & Retiring:		
24 Long-term Debt	(61,565)	181,410
25 Common Stock		
26 Preferred Stock		
27 Short-term Debt	13,940	(49,594)
28 Dividends Paid	(23,252)	(23,252)
29 Contributions & Advances - Subsidiary & Assoc. Co's.		
30 Principal Payments Under Capital Leases		
31 Other Cash Flows - Financing Activities		
32 Net Cash From Financing Activities	(70,877)	108,564
33 Net Incr./(Decr.) In Cash & Cash Equivalents	(32,859)	79,276
34 Cash & Cash Equivalents At Beginning Of Year	169,034	89,758
35 Cash & Cash Equivalents At End Of Year	$136,175	$169,034

Newport Telephone Company, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$609,646	$527,162
2	Network Access Services	329,784	296,882
3	Long Distance Network Services	748,441	816,504
4	Miscellaneous Revenues	587,964	737,203
5	Uncollectible Revenues	(4,200)	(5,879)
6	Total Operating Revenues	$2,271,635	$2,371,872
7	Access Lines in Service	2,868	2,738
8	Total Revenue per Access Line	$792	$866
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses		
2	General Support Services	$60,488	$46,298
3	Central Office Switching	44,063	57,471
4	Operator Systems Expense		
5	Central Office Transmission		
6	Info. Origination/Termination	538,561	555,119
7	Cable & Wire Facilities	85,526	64,793
8	Total Plant Specific Operations	728,638	723,681
9	Other Plant, Prop, & Equip.		
10	Network Operations	105,968	93,002
11	Access Expense		
12	Depreciation & Amortization Exp.	334,708	313,294
13	Total Plant Nonspecific Operations	440,676	406,296
14	Marketing Expense		
15	Services Expense	241,138	228,633
16	Total Customer Operations	241,138	228,633
17	Executive & Planning	148,162	129,969
18	General & Administrative	315,016	362,226
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	463,178	492,195
21	Total Operations Expenses	$1,873,630	$1,850,805

Newport Telephone Company, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,248,245	$1,136,865
2	Central Office Assets	1,398,154	1,397,979
3	Information Origination/Termination	293,405	158,272
4	Cable And Wire Facilities	2,422,321	2,378,657
5	Amortizable Assets	45	45
6	Total Plant In Service	5,362,170	5,071,818
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	172,592	60,734
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$5,534,762	$5,132,552

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.6	1.9
	Percent Of Capitalization:		
16	Long Term Debt	72.9	72.0
17	Preferred Stock	3.1	3.0
18	Common Stock & Other Paid In Capital	4.1	4.0
19	Retained Earnings	19.9	21.1

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	(2.0)	4.5
21	Pretax Coverage Of Interest Charges	(0.8)	1.9
22	Common Stock Dividends As A % of Earnings	(37.2)	15.6
23	Return On Common Equity	(5.7)	11.3

COMMUNICATIONS

The Nicholville Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$5,937	$15,429
2	Special Cash Deposits		
3	Working Cash Advances	200	200
4	Temporary Investments	1,939	6,633
5	Total Cash and Equivalents	8,076	22,262
6	Tel. Accounts Rec.(net)	62,267	61,997
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	89,569	92,872
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	151,836	154,869
15	Inventories	63,247	36,833
16	Prepayments	31,422	30,511
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	254,581	244,475
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	9,000	5,000
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	15,492	6,702
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	19,252	18,005
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	43,744	29,707
	REGULATED PLANT		
30	Tel. Plant in Service	3,270,156	2,808,347
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	601,424	479,736
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	3,871,580	3,288,083
38	Less Depreciation & Amortization	958,582	834,593
39	Net Telecommunications Plant	2,912,998	2,453,490
40	Total Assets and Other Debits	$3,211,323	$2,727,672

Nicholville Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$24,647	
2	Accounts Payable - Other	366,662	111,967
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	125,000	40,000
5	Advance Billing & Payments		
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued		31,582
10	Other Taxes - Accrued	3,753	44
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	33,176	30,731
14	Total Current Liabilities	553,238	214,324
	LONG-TERM DEBT		
15	Funded Debt	1,299,373	1,333,027
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	1,299,373	1,333,027
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	109,218	119,263
24	Unamortized Nonoper. ITC - net	3,390	
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	169,947	122,614
26	Nonoperating Income Taxes - cr.	785	785
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	283,340	242,662
	STOCKHOLDER'S EQUITY		
30	Common Stock	41,000	41,000
31	Preferred Stock	100,000	100,000
32	Additional Paid-in Capital	(3,851)	(3,851)
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	938,223	800,510
38	Total Stockholder's Equity	1,075,372	937,659
39	Total Liabilities & Other Credits	$3,211,323	$2,727,672

Nicholville Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,404,827	$1,198,785
2	Operating Expenses	1,044,477	879,228
3	Net Operating Revenues	360,350	319,557
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(6,656)	(4,677)
11	Federal Income Taxes	35,033	29,842
12	State & Local Income Taxes		
13	Other Taxes	81,783	79,865
14	Provision-Deferred Op.Income Taxes-Net	36,946	33,519
15	Total Operating Taxes	147,106	138,549
16	Net Operating Income	$213,244	$181,008
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	5,454	12,495
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	4,763	21,113
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(33,500)
24	Special Charges	(124)	(109)
25	Total Nonop.Income & Expenses	$10,093	($1)

Nicholville Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	2,700	6,112
3	State & Local Taxes		
4	Other Taxes	1,251	510
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	3,951	6,622
7	Total Nonoperating Income	6,142	(6,623)
8	Income Available- Fixed Charges	219,386	174,385
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	65,734	67,508
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	297	346
12	Other Interest Deductions	7,182	
13	Total	73,213	67,854
14	Income Before Extraordinary Items	146,173	106,531
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$146,173	$106,531
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$800,510	$702,439
21	Transferred from Income	146,173	106,531
22	Appropriations		
23	Dividends Dec.- Preferred Stock	6,000	6,000
24	- Common Stock	2,460	2,460
25	Adjustments		
26	Balance End of Year	938,223	800,510
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$938,223	$800,510

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Nicholville Telephone Co., Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$146,173	$106,531
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	223,106	208,422
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	258,406	6,102
4	Deferred Taxes & ITCs	40,678	28,058
5	Current Income & Other Taxes Payable	(27,873)	38,327
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(4,763)	(21,113)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(2,157)	(2,384)
11	Total Adjustments	487,397	257,412
12	Net Cash From Operating Activities	633,570	363,943
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(677,554)	(568,597)
14	Acquisition Of Other Non-current Assets	(4,000)	
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		(1,000)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(9,088)	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		(11,500)
23	Net Cash From Investing Activities	(690,642)	(581,097)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(33,654)	(32,051)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	85,000	40,000
28	Dividends Paid	(8,460)	(8,460)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	42,886	(511)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(14,186)	(217,665)
34	Cash & Cash Equivalents At Beginning Of Year	22,262	240,188
35	Cash & Cash Equivalents At End Of Year	$8,076	$22,523

Nicholville Telephone Company, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$482,064	$381,117
2 Network Access Services	383,522	242,771
3 Long Distance Network Services	468,932	499,902
4 Miscellaneous Revenues	76,744	76,567
5 Uncollectible Revenues	(6,435)	(1,572)
6 Total Operating Revenues	$1,404,827	$1,198,785
7 Access Lines in Service	1,925	1,887
8 Total Revenue per Access Line	$730	$635
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$2,473	$2,867
2 General Support Services	34,349	14,444
3 Central Office Switching	76,782	79,813
4 Operator Systems Expense		
5 Central Office Transmission	3,617	1,508
6 Info. Origination/Termination	33,879	34,258
7 Cable & Wire Facilities	120,286	92,840
8 Total Plant Specific Operations	271,386	225,730
9 Other Plant, Prop, & Equip.	8,153	8,658
10 Network Operations	83,090	53,598
11 Access Expense		
12 Depreciation & Amortization Exp.	222,809	208,076
13 Total Plant Nonspecific Operations	314,052	270,332
14 Marketing Expense	1,138	235
15 Services Expense	175,758	174,691
16 Total Customer Operations	176,896	174,926
17 Executive & Planning	24,835	28,432
18 General & Administrative	257,308	179,808
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	282,143	208,240
21 Total Operations Expenses	$1,044,477	$879,228

Nicholville Telephone Company, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$372,765	$374,632
2	Central Office Assets	828,813	824,947
3	Information Origination/Termination	207,445	208,398
4	Cable And Wire Facilities	1,860,983	1,400,220
5	Amortizable Assets	150	150
6	Total Plant In Service	3,270,156	2,808,347
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	601,424	479,736
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$3,871,580	$3,288,083

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.5	1.1
	Percent Of Capitalization:		
16	Long Term Debt	54.7	58.7
17	Preferred Stock	4.2	4.4
18	Common Stock & Other Paid In Capital	1.6	1.6
19	Retained Earnings	39.5	35.3

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	10.4	8.9
21	Pretax Coverage Of Interest Charges	3.9	3.5
22	Common Stock Dividends As A % of Earnings	1.7	2.3
23	Return On Common Equity	15.5	12.7

COMMUNICATIONS

Ogden Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$167,187	$313,381
2	Special Cash Deposits	3,028	2,225
3	Working Cash Advances	500	500
4	Temporary Investments		
5	Total Cash and Equivalents	$170,715	$316,106
6	Tel. Accounts Rec.(net)	$261,780	$242,180
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	16,623	8,378
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	$278,403	$250,558
15	Inventories	$541,279	$604,108
16	Prepayments	96,802	158,053
17	Other Current Assets	83,243	80,405
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	$1,170,442	$1,409,230
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	$155,629	$68,681
21	Investments in Nonaffiliated Cos.	2,000	2,000
22	Nonregulated Investments	337	
23	Unamortized Debt Issuance Expense	220,014	230,275
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	7,503	
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	214,246	82,829
29	Total Noncurrent Assets	$599,729	$383,785
	REGULATED PLANT		
30	Tel. Plant in Service	$25,579,738	$23,570,688
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	348,061	521,029
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	$25,927,799	$24,091,717
38	Less Depreciation & Amortization	7,902,182	6,638,639
39	Net Telecommunications Plant	$18,025,617	$17,453,078
40	Total Assets and Other Debits	$19,795,788	$19,246,093

Ogden Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	$592,479	570,832
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	445,223	1,924,183
5	Advance Billing & Payments	61	61
6	Customers' Deposits		
7	Current Maturities - LT Debt	118,506	108,351
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	47,600	(107,841)
10	Other Taxes - Accrued	24,151	15,412
11	Current Def. Op. Inc. Taxes - Cr.	428,886	342,071
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	359,926	378,499
14	Total Current Liabilities	$2,016,832	$3,231,568
	LONG-TERM DEBT		
15	Funded Debt	$9,610,445	$8,714,511
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	$9,610,445	$8,714,511
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	508,502	515,480
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	886,972	593,251
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	$1,395,474	$1,108,731
	STOCKHOLDER'S EQUITY		
30	Common Stock	$1,453,794	$1,425,694
31	Preferred Stock	1,181,700	1,209,800
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	4,239,530	3,555,789
38	Total Stockholder's Equity	$6,875,024	$6,191,283
39	Total Liabilities & Other Credits	$19,897,775	$19,246,093

Ogden Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$7,555,310	$6,471,643
2	Operating Expenses	4,310,484	3,926,474
3	Net Operating Revenues	$3,244,826	$2,545,169
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	60,199	51,963
11	Federal Income Taxes	126,066	73,489
12	State & Local Income Taxes		
13	Other Taxes	706,891	634,597
14	Provision-Deferred Op.Income Taxes-Net	356,274	273,676
15	Total Operating Taxes	$1,249,430	$1,033,725
16	Net Operating Income	$1,995,396	$1,511,444
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	264	252
18	Interest Income	1,858	855
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	34,726	114,544
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(33,500)
24	Special Charges	(20,657)	(5,120)
25	Total Nonop.Income & Expenses	$16,191	$77,031

Ogden Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($42,917)	($31,963)
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	($42,917)	($31,963)
7	Total Nonoperating Income	59,108	108,994
8	Income Available- Fixed Charges	$2,054,504	$1,620,438
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	860,009	841,887
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	10,260	10,260
12	Other Interest Deductions	147,518	196,547
13	Total	$1,017,787	$1,048,694
14	Income Before Extraordinary Items	$1,036,717	$571,744
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		214,857
18	Total		$214,857
19	NET INCOME	$1,036,717	$786,601
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	3,555,789	3,104,346
21	Transferred from Income	1,036,717	786,600
22	Appropriations		
23	Dividends Dec.- Preferred Stock	89,254	92,634
24	- Common Stock	263,721	242,523
25	Adjustments		
26	Balance End of Year	$4,239,531	$3,555,789
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,239,531	$3,555,789

Ogden Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
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	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$1,036,717	$786,600
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,404,452	1,341,739
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	46,669	(173,752)
4	Deferred Taxes & ITCs	242,141	210,846
5	Current Income & Other Taxes Payable	164,180	(286,642)
6	Interest Payable	(8,606)	215,908
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(34,726)	(114,544)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(40,921)	66,912
11	Total Adjustments	1,773,189	1,260,467
12	Net Cash From Cperating Activities	2,809,906	2,047,067
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(2,005,944)	(3,657,878)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(83,948)	(65,681)
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(3,000)	22,000
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	73,933	87,501
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments	(337)	
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(2,019,296)	(3,614,058)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	895,934	(108,351)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(1,478,960)	1,878,960
28	Dividends Paid	(352,975)	(335,157)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(936,001)	1,435,452
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(145,391)	(131,539)
34	Cash & Cash Equivalents At Beginning Of Year	316,106	447,645
35	Cash & Cash Equivalents At End Of Year	$170,715	$316,106

Ogden Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$4,429,202	$3,584,849
2	Network Access Services	1,847,606	1,598,331
3	Long Distance Network Services	317,916	354,825
4	Miscellaneous Revenues	994,885	972,901
5	Uncollectible Revenues	(34,296)	(39,263)
6	Total Operating Revenues	$7,555,313	$6,471,643
7	Access Lines in Service	17,642	17,009
8	Total Revenue per Access Line	$428	$380

		1989	1988
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$10,030	$5,885
2	General Support Services	281,608	311,709
3	Central Office Switching	273,300	281,169
4	Operator Systems Expense		
5	Central Office Transmission	64,582	73,496
6	Info. Origination/Termination	81,921	57,807
7	Cable & Wire Facilities	277,373	177,277
8	Total Plant Specific Operations	$988,814	$907,343
9	Other Plant, Prop, & Equip.	$10,112	$20,943
10	Network Operations	332,372	290,053
11	Access Expense		
12	Depreciation & Amortization Exp.	1,394,192	1,331,479
13	Total Plant Nonspecific Operations	$1,736,676	$1,642,475
14	Marketing Expense		$844
15	Services Expense	742,352	618,458
16	Total Customer Operations	$742,352	$619,302
17	Executive & Planning	$441,759	$425,299
18	General & Administrative	400,882	332,058
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$842,641	$757,357
21	Total Operations Expenses	$4,310,483	$3,926,477

Ogden Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,755,061	$2,431,135
2	Central Office Assets	9,914,595	8,996,728
3	Information Origination/Termination	1,831,298	1,830,474
4	Cable And Wire Facilities	11,078,789	10,312,352
5	Amortizable Assets		
6	Total Plant In Service	$25,579,743	$23,570,689
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	348,061	521,029
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$25,927,804	$24,091,718

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.6	0.4
	Percent Of Capitalization:		
16	Long Term Debt	58.3	58.5
17	Preferred Stock	7.2	8.1
18	Common Stock & Other Paid In Capital	8.8	9.6
19	Retained Earnings	25.7	23.9

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	13.7	12.2
21	Pretax Coverage Of Interest Charges	2.6	1.9
22	Common Stock Dividends As A % of Earnings	25.4	35.0
23	Return On Common Equity	17.8	14.6

COMMUNICATIONS

Oneida County Rural Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	($40,856)	($5,224)
2	Special Cash Deposits		
3	Working Cash Advances	600	300
4	Temporary Investments	233,416	354,930
5	Total Cash and Equivalents	193,160	350,006
6	Tel. Accounts Rec.(net)	118,775	97,451
7	Accts.Rec.- Affiliated Cos.	20,789	16,404
8	Accounts Rec. - Other	118,322	95,818
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	257,886	209,673
15	Inventories	54,719	58,423
16	Prepayments	48,094	36,626
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	553,859	654,728
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	(129,510)	
21	Investments in Nonaffiliated Cos.	15,500	15,500
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	6,766	7,195
24	Sinking Funds & Other Noncurrent	324,996	276,721
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	217,752	299,416
	REGULATED PLANT		
30	Tel. Plant in Service	4,810,092	4,504,395
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	30,817	65,199
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	4,840,909	4,569,594
38	Less Depreciation & Amortization	2,083,153	1,971,510
39	Net Telecommunications Plant	2,757,756	2,598,084
40	Total Assets and Other Debits	$3,529,367	$3,552,228

Oneida County Rural Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$330	$8,424
2	Accounts Payable - Other	163,162	136,894
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	55,000	65,000
5	Advance Billing & Payments	19,172	19,060
6	Customers' Deposits	5,215	4,325
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	3,553	116,303
10	Other Taxes - Accrued	(805)	4,372
11	Current Def. Op. Inc. Taxes - Cr.		44,617
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	60,765	
14	Total Current Liabilities	306,392	398,995
	LONG-TERM DEBT		
15	Funded Debt	1,686,247	1,750,991
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	1,686,247	1,750,991
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	90,250	100,400
24	Unamortized Nonoper. ITC - net	6,665	9,997
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	157,314	144,267
26	Nonoperating Income Taxes - cr.		(4,911)
27	Other Deferred Credits	70,549	42,278
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	324,778	292,031
	STOCKHOLDER'S EQUITY		
30	Common Stock	85,100	85,100
31	Preferred Stock	60,300	77,500
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,066,550	947,611
38	Total Stockholder's Equity	1,211,950	1,110,211
39	Total Liabilities & Other Credits	$3,529,367	$3,552,228

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Oneida County Rural Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,967,119	$1,935,212
2	Operating Expenses	1,389,216	1,256,078
3	Net Operating Revenues	577,903	679,134
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work	1,546	1,984
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses	1,546	1,984
	OPERATING TAXES		
10	Investment Tax Credits - Net	(10,150)	(12,006)
11	Federal Income Taxes	73,365	126,232
12	State & Local Income Taxes		
13	Other Taxes	141,157	132,008
14	Provision-Deferred Op.Income Taxes-Net	51,862	94,540
15	Total Operating Taxes	256,234	340,774
16	Net Operating Income	$323,215	$340,344
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	17,287	(55,331)
18	Interest Income		12,538
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	(148,520)	
23	Other Nonoperating Income	(1,569)	(33,500)
24	Special Charges	(20,561)	(10,608)
25	Total Nonop.Income & Expenses	($153,363)	($86,901)

Oneida County Rural Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($3,332)	($2,669)
2	Federal Income Taxes	5,344	3,960
3	State & Local Taxes		
4	Other Taxes		1,500
5	Prov. -Def. Income Taxes-Net	4,911	6,805
6	Total Nonoperating Taxes	6,923	9,596
7	Total Nonoperating Income	(160,286)	(96,497)
8	Income Available- Fixed Charges	162,929	243,847
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	63,402	66,160
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	397	397
12	Other Interest Deductions	3,688	3,557
13	Total	67,487	70,114
14	Income Before Extraordinary Items	95,442	173,733
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	31,125	26,733
18	Total	31,125	26,733
19	NET INCOME	$126,567	$200,466
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$947,611	$753,228
21	Transferred from Income	126,567	200,466
22	Appropriations		
23	Dividends Dec.- Preferred Stock	4,224	2,679
24	- Common Stock	3,404	3,404
25	Adjustments		
26	Balance End of Year	1,066,550	947,611
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$1,066,550	$947,611

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Oneida County Rural Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$126,567	$200,466
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	190,390	232,554
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	7,857	(57,104)
4	Deferred Taxes & ITCs	32,747	87,314
5	Current Income & Other Taxes Payable	(117,927)	178,445
6	Interest Payable	933	614
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		55,331
10	Other Adjustments	(20,668)	18,905
11	Total Adjustments	93,332	516,059
12	Net Cash From Operating Activities	219,899	716,525
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(336,551)	(392,492)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	117,031	(28,709)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(9,378)	(1,335)
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(48,275)	(41,642)
23	Net Cash From Investing Activities	(277,173)	(464,178)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(64,744)	(62,834)
25	Common Stock		
26	Preferred Stock	(17,200)	(2,600)
27	Short-term Debt		
28	Dividends Paid	(7,628)	(6,083)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	(10,000)	
32	Net Cash From Financing Activities	(99,572)	(71,517)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(156,846)	180,830
34	Cash & Cash Equivalents At Beginning Of Year	350,006	169,176
35	Cash & Cash Equivalents At End Of Year	$193,160	$350,006

Oneida County Rural Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$1,008,883	$969,649
2 Network Access Services	511,348	483,490
3 Long Distance Network Services	342,991	392,161
4 Miscellaneous Revenues	103,897	89,912
5 Uncollectible Revenues		
6 Total Operating Revenues	$1,967,119	$1,935,212
7 Access Lines in Service	3,075	2,960
8 Total Revenue per Access Line	$640	$654
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$22,575	$22,828
2 General Support Services	134,879	91,495
3 Central Office Switching	137,825	123,404
4 Operator Systems Expense		
5 Central Office Transmission	1,317	2,335
6 Info. Origination/Termination	44,243	39,227
7 Cable & Wire Facilities	59,430	59,851
8 Total Plant Specific Operations	400,269	339,140
9 Other Plant, Prop, & Equip.		
10 Network Operations	151,570	123,990
11 Access Expense		
12 Depreciation & Amortization Exp.	225,225	233,766
13 Total Plant Nonspecific Operations	376,795	357,756
14 Marketing Expense	64,140	37,305
15 Services Expense	204,166	237,221
16 Total Customer Operations	268,306	274,526
17 Executive & Planning	110,232	107,830
18 General & Administrative	233,614	176,826
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	343,846	284,656
21 Total Operations Expenses	$1,389,216	$1,256,078

Oneida County Rural Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,301,223	$1,214,851
2	Central Office Assets	990,281	939,788
3	Information Origination/Termination	515,282	484,536
4	Cable And Wire Facilities	2,003,306	1,865,220
5	Amortizable Assets		
6	Total Plant In Service	4,810,092	4,504,395
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	30,817	65,199
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$4,840,909	$4,569,594

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.8	1.6
	Percent Of Capitalization:		
16	Long Term Debt	58.2	61.2
17	Preferred Stock	2.1	2.7
18	Common Stock & Other Paid In Capital	2.9	3.0
19	Retained Earnings	36.8	33.1

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	6.4	10.4
21	Pretax Coverage Of Interest Charges	4.2	6.6
22	Common Stock Dividends As A % of Earnings	2.7	1.7
23	Return On Common Equity	11.2	21.1

COMMUNICATIONS

Ontario Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$191,379	$291,415
2	Special Cash Deposits		
3	Working Cash Advances	160	
4	Temporary Investments	941,431	605,628
5	Total Cash and Equivalents	1,132,970	897,043
6	Tel. Accounts Rec.(net)	164,794	198,120
7	Accts.Rec.- Affiliated Cos.	351,557	481,509
8	Accounts Rec. - Other	625,838	344,764
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		50,000
11	Notes Rec. - Other		17,030
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	1,142,189	1,091,423
15	Inventories	169,368	180,714
16	Prepayments	9,900	24,755
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	2,454,427	2,193,935
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	726,333	372,866
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments	19,000	4,246
23	Unamortized Debt Issuance Expense	864	1,278
24	Sinking Funds & Other Noncurrent	347,546	303,461
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	87,379	
29	Total Noncurrent Assets	1,181,122	681,851
	REGULATED PLANT		
30	Tel. Plant in Service	4,934,624	4,916,692
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	100,671	194,367
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	5,035,295	5,111,059
38	Less Depreciation & Amortization	1,884,867	1,946,331
39	Net Telecommunications Plant	3,150,428	3,164,728
40	Total Assets and Other Debits	$6,785,977	$6,040,514

Ontario Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.		
2 Accounts Payable - Other	$93,021	136,834
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other	82,837	175,237
5 Advance Billing & Payments	32,305	27,090
6 Customers' Deposits	4,485	5,390
7 Current Maturities - LT Debt	6,000	6,000
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	43,942	3,178
10 Other Taxes - Accrued	43,666	41,020
11 Current Def. Op. Inc. Taxes - Cr.	23,676	23,676
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	162,506	195,650
14 Total Current Liabilities	492,438	614,075
LONG-TERM DEBT		
15 Funded Debt	204,000	210,000
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	204,000	210,000
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net	144,746	157,948
24 Unamortized Nonoper. ITC - net	3,462	3,462
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	955,185	778,116
26 Nonoperating Income Taxes - cr.		
27 Other Deferred Credits	237,961	69,348
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	1,341,354	1,008,874
STOCKHOLDER'S EQUITY		
30 Common Stock	115,000	115,000
31 Preferred Stock	125,000	125,000
32 Additional Paid-in Capital		
33 Treasury Stock		
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings	88,833	
37 Unappropriated Retained Earnings	4,419,352	3,967,565
38 Total Stockholder's Equity	4,748,185	4,207,565
39 Total Liabilities & Other Credits	$6,785,977	$6,040,514

Ontario Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$2,603,001	$2,513,912
2	Operating Expenses	1,488,039	1,424,072
3	Net Operating Revenues	1,114,962	1,089,840
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(12,795)	(10,761)
11	Federal Income Taxes	353,477	306,192
12	State & Local Income Taxes		
13	Other Taxes	144,392	134,238
14	Provision-Deferred Op.Income Taxes-Net	89,690	151,458
15	Total Operating Taxes	574,764	581,127
16	Net Operating Income	$540,198	$508,713
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$49,595	$9,681
18	Interest Income	79,947	92,859
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	7,535	6,676
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	13,467	20,376
23	Other Nonoperating Income	15,895	13,943
24	Special Charges	(4,498)	(46,692)
25	Total Nonop.Income & Expenses	$161,941	$96,843

Ontario Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	$36,116	($164)
2	Federal Income Taxes		3,367
3	State & Local Taxes		3,680
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		4,668
6	Total Nonoperating Taxes	36,116	11,551
7	Total Nonoperating Income	125,825	85,292
8	Income Available- Fixed Charges	666,023	594,005
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	17,063	17,649
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	415	415
12	Other Interest Deductions	12,566	20,895
13	Total	30,044	38,959
14	Income Before Extraordinary Items	635,979	555,046
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		49,292
18	Total		49,292
19	NET INCOME	$635,979	$604,338
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$3,892,199	$3,457,667
21	Transferred from Income	622,512	528,972
22	Appropriations		
23	Dividends Dec.- Preferred Stock	7,500	7,500
24	- Common Stock	87,860	86,940
25	Adjustments		
26	Balance End of Year	4,419,351	3,892,199
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,419,351	$3,892,199

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Ontario Telephone Company, Incorporated
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$635,979	$604,338
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	292,436	287,959
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(174,373)	(314,621)
4	Deferred Taxes & ITCs	76,488	
5	Current Income & Other Taxes Payable	43,410	(137,910)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates	(13,467)	(20,376)
8	Capitalized AFDUC - Equity	(7,535)	
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	183,468	161,911
11	Total Adjustments	400,427	(23,037)
12	Net Cash From Operating Activities	1,036,406	581,301
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(298,035)	(616,397)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(14,754)	
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(340,000)	65,000
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	50,000	
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	40,155	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(44,085)	(56,352)
23	Net Cash From Investing Activities	(606,719)	(607,749)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(6,000)	
25	Common Stock		(86,940)
26	Preferred Stock		(7,500)
27	Short-term Debt	(92,400)	(6,500)
28	Dividends Paid	(95,360)	
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(193,760)	(100,940)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	235,927	(127,388)
34	Cash & Cash Equivalents At Beginning Of Year	897,043	1,024,431
35	Cash & Cash Equivalents At End Of Year	$1,132,970	$897,043

Ontario Telephone Company, Incorporated
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1988	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$521,748	$503,478
2	Network Access Services	975,440	973,365
3	Long Distance Network Services	727,657	694,604
4	Miscellaneous Revenues	391,564	346,918
5	Uncollectible Revenues	(13,408)	(4,453)
6	Total Operating Revenues	$2,603,001	$2,513,912
7	Access Lines in Service	3,849	3,825
8	Total Revenue per Access Line	$676	$657
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$6,069	$9,298
2	General Support Services	40,820	43,058
3	Central Office Switching	77,097	127,720
4	Operator Systems Expense		
5	Central Office Transmission	15,483	16,484
6	Info. Origination/Termination	29,469	13,435
7	Cable & Wire Facilities	139,072	164,559
8	Total Plant Specific Operations	$308,010	$374,554
9	Other Plant, Prop, & Equip.	$50	$5,457
10	Network Operations	128,751	98,080
11	Access Expense		
12	Depreciation & Amortization Exp.	292,021	287,544
13	Total Plant Nonspecific Operations	$420,822	$391,081
14	Marketing Expense	$58,880	$33,640
15	Services Expense	335,232	326,578
16	Total Customer Operations	$394,112	$360,218
17	Executive & Planning	$174,965	$145,076
18	General & Administrative	190,130	153,142
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$365,095	$298,218
21	Total Operations Expenses	$1,488,039	$1,424,071

Ontario Telephone Company, Incorporated
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,263,987	$1,075,747
2	Central Office Assets	2,022,647	2,004,976
3	Information Origination/Termination	197,379	457,118
4	Cable And Wire Facilities	1,450,611	1,378,851
5	Amortizable Assets		
6	Total Plant In Service	$4,934,624	$4,916,692
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	100,671	194,366
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$5,035,295	$5,111,058

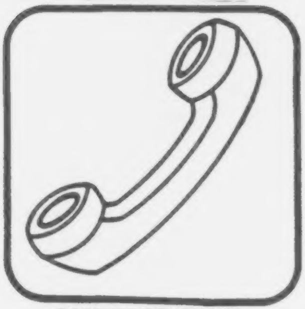
SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	5.0	3.6
	Percent Of Capitalization:		
16	Long Term Debt	4.1	4.8
17	Preferred Stock	2.1	2.8
18	Common Stock & Other Paid In Capital	3.3	2.6
19	Retained Earnings	72.6	89.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	24.4	24.0
21	Pretax Coverage Of Interest Charges	37.7	27.0
22	Common Stock Dividends As A % of Earnings	13.8	14.4
23	Return On Common Equity	14.4	25.9

(a) Not Available



COMMUNICATIONS

Oriskany Falls Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$11,752	$35,879
2	Special Cash Deposits		
3	Working Cash Advances	350	150
4	Temporary Investments	116,434	76,771
5	Total Cash and Equivalents	128,536	112,800
6	Tel. Accounts Rec.(net)	25,966	14,040
7	Accts.Rec.- Affiliated Cos.	506	
8	Accounts Rec. - Other	6,622	2,376
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.	2,868	
14	Total Receivables (net)	35,962	16,416
15	Inventories	3,019	2,115
16	Prepayments	10,305	19,067
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	177,822	150,398
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	9,000	
21	Investments in Nonaffiliated Cos.	5,125	3,000
22	Nonregulated Investments		5,662
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	2,666	1,068
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	16,791	9,730
	REGULATED PLANT		
30	Tel. Plant in Service	852,446	785,494
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	12,619	
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	865,065	785,494
38	Less Depreciation & Amortization	228,194	203,049
39	Net Telecommunications Plant	636,871	582,445
40	Total Assets and Other Debits	$831,484	$742,573

Oriskany Falls Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$27,750	
2	Accounts Payable - Other	30,328	29,439
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		6,000
5	Advance Billing & Payments	60	
6	Customers' Deposits	1,085	1,160
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	(4,973)	
10	Other Taxes - Accrued	2,585	2,011
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	4,119	20,000
14	Total Current Liabilities	60,954	58,610
	LONG-TERM DEBT		
15	Funded Debt		
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt		
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	11,796	13,006
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	79,461	57,304
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	4,113	
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	95,370	70,310
	STOCKHOLDER'S EQUITY		
30	Common Stock	1,510	1,510
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	673,650	612,143
38	Total Stockholder's Equity	675,160	613,653
39	Total Liabilities & Other Credits	$831,484	$742,573

Oriskany Falls Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$388,085	$367,717
2	Operating Expenses	281,938	232,109
3	Net Operating Revenues	106,147	135,608
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities	(348)	
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses	(348)	
	OPERATING TAXES		
10	Investment Tax Credits - Net	(1,210)	(1,210)
11	Federal Income Taxes	2,149	33,297
12	State & Local Income Taxes		
13	Other Taxes	23,420	22,485
14	Provision-Deferred Op.Income Taxes-Net	26,060	
15	Total Operating Taxes	50,419	54,572
16	Net Operating Income	$55,380	$81,036
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	7,531	4,654
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(3,177)	(12,331)
24	Special Charges	(10)	
25	Total Nonop.Income & Expenses	$4,344	($7,677)

Oriskany Falls Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	2,852	
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	2,852	
7	Total Nonoperating Income	1,492	(7,677)
8	Income Available- Fixed Charges	57,568	73,359
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt		
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	106	886
13	Total	106	886
14	Income Before Extraordinary Items	57,462	72,473
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income	4,045	
17	Other Nonregulated Revenues		
18	Total	4,045	
19	NET INCOME	$61,507	$72,473
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$612,143	$539,670
21	Transferred from Income	61,507	72,473
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock		
25	Adjustments		
26	Balance End of Year	673,650	612,143
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$673,650	$612,143

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Oriskany Falls Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$61,507	
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	43,500	
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	18,848	
4	Deferred Taxes & ITCs	20,947	
5	Current Income & Other Taxes Payable	(4,399)	
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(43,738)	
11	Total Adjustments	35,158	
12	Net Cash From Operating Activities	96,665	
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(75,553)	
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	624	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(4,359)	
23	Net Cash From Investing Activities	(79,288)	
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt		
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(6,000)	
28	Dividends Paid		
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(6,000)	
33	Net Incr./(Decr.) In Cash & Cash Equivalents	11,377	
34	Cash & Cash Equivalents At Beginning Of Year	58,303	
35	Cash & Cash Equivalents At End Of Year	$69,680	

"1988 data was not available.

Oriskany Falls Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$135,200	$139,129
2	Network Access Services	95,344	81,945
3	Long Distance Network Services	121,695	116,311
4	Miscellaneous Revenues	33,371	32,741
5	Uncollectible Revenues	2,475	(2,409)
6	Total Operating Revenues	$388,085	$367,717
7	Access Lines in Service	708	670
8	Total Revenue per Access Line	$548	$549
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$312	$1,902
2	General Support Services	14,442	
3	Central Office Switching	35,142	26,794
4	Operator Systems Expense		
5	Central Office Transmission	1,306	
6	Info. Origination/Termination	174	8,621
7	Cable & Wire Facilities	18,150	19,642
8	Total Plant Specific Operations	$69,526	$56,959
9	Other Plant, Prop, & Equip.	$450	
10	Network Operations	11,086	13,339
11	Access Expense		
12	Depreciation & Amortization Exp.	43,500	42,626
13	Total Plant Nonspecific Operations	$55,036	$55,965
14	Marketing Expense	$3,373	$1,186
15	Services Expense	45,386	39,546
16	Total Customer Operations	$48,759	$40,732
17	Executive & Planning	$75,993	
18	General & Administrative	32,276	78,453
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$108,269	$78,453
21	Total Operations Expenses	$281,590	$232,109

Oriskany Falls Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$142,498	$132,028
2	Central Office Assets	339,245	337,826
3	Information Origination/Termination	20,403	15,238
4	Cable And Wire Facilities	350,301	300,402
5	Amortizable Assets		
6	Total Plant In Service	$852,447	$785,494
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	12,618	
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$865,065	$785,494

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	2.9	2.6
	Percent Of Capitalization:		
16	Long Term Debt		
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	0.2	0.2
19	Retained Earnings	99.8	99.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	15.8	19.7
21	Pretax Coverage Of Interest Charges	824.7	144.4
22	Common Stock Dividends As A % of Earnings		
23	Return On Common Equity	9.5	12.6

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Pattersonville Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$15,276	$6,481
2	Special Cash Deposits		
3	Working Cash Advances	500	500
4	Temporary Investments	248,743	123,414
5	Total Cash and Equivalents	264,519	130,395
6	Tel. Accounts Rec.(net)	123,005	50,895
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	559	511
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other	25,255	25,893
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	148,819	77,299
15	Inventories	63,840	40,190
16	Prepayments	29,181	79,032
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	506,359	326,916
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	470	282
21	Investments in Nonaffiliated Cos.	10,225	7,225
22	Nonregulated Investments	210,967	166,941
23	Unamortized Debt Issuance Expense	9,682	10,285
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	4,493	3,838
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	235,837	188,571
	REGULATED PLANT		
30	Tel. Plant in Service	1,917,566	1,811,609
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	27,516	100,221
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	1,945,082	1,911,830
38	Less Depreciation & Amortization	725,438	631,382
39	Net Telecommunications Plant	1,219,644	1,280,448
40	Total Assets and Other Debits	$1,961,840	$1,795,935

Pattersonville Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	117,483	86,504
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	34,453	32,742
6	Customers' Deposits	3,422	2,923
7	Current Maturities - LT Debt	24,641	24,100
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	12,296	(1,218)
10	Other Taxes - Accrued	(1,827)	3,004
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	156,659	15,611
14	Total Current Liabilities	347,127	163,666
	LONG-TERM DEBT		
15	Funded Debt	429,803	454,450
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	429,803	454,450
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	35,400	42,055
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	210,546	178,374
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	18,632	8,169
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	264,578	228,598
	STOCKHOLDER'S EQUITY		
30	Common Stock	96,000	96,000
31	Preferred Stock	13,300	13,300
32	Additional Paid-in Capital		
33	Treasury Stock	(39,870)	(39,870)
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	850,902	879,791
38	Total Stockholder's Equity	920,332	949,221
39	Total Liabilities & Other Credits	$1,961,840	$1,795,935

Pattersonville Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,173,943	$1,016,756
2	Operating Expenses	921,984	756,536
3	Net Operating Revenues	251,959	260,220
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		90
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	(3,000)	
9	Total Other Op. Income & Expenses	(3,000)	90
	OPERATING TAXES		
10	Investment Tax Credits - Net	(6,655)	(9,534)
11	Federal Income Taxes	23,363	27,365
12	State & Local Income Taxes		
13	Other Taxes	66,098	68,937
14	Provision-Deferred Op.Income Taxes-Net	37,270	35,854
15	Total Operating Taxes	120,076	122,622
16	Net Operating Income	$128,883	$137,688
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	15,761	13,364
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		1,101
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		(11,501)
24	Special Charges	(163)	(100)
25	Total Nonop.Income & Expenses	$15,598	$2,864

Pattersonville Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	15,598	2,864
8	Income Available- Fixed Charges	144,481	140,552
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	13,512	14,049
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	602	602
12	Other Interest Deductions	197	242
13	Total	14,311	14,893
14	Income Before Extraordinary Items	130,170	125,659
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net	30,739	
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total	30,739	
19	NET INCOME	$160,909	$125,659
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$879,791	$801,742
21	Transferred from Income	160,909	125,660
22	Appropriations		
23	Dividends Dec.- Preferred Stock	798	798
24	- Common Stock	189,000	46,813
25	Adjustments		
26	Balance End of Year	850,902	879,791
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$850,902	$879,791

Pattersonville Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$160,909	$125,660
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	165,770	134,711
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	98,247	962
4	Deferred Taxes & ITCs	25,517	26,320
5	Current Income & Other Taxes Payable	8,683	
6	Interest Payable	(80)	
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	41,162	(71,524)
11	Total Adjustments	339,299	90,469
12	Net Cash From Operating Activities	500,208	216,129
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(148,992)	(237,923)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(188)	
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(3,000)	
23	Net Cash From Investing Activities	(152,180)	(237,923)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(24,106)	(23,666)
25	Common Stock		(46,813)
26	Preferred Stock		(798)
27	Short-term Debt		
28	Dividends Paid	(189,798)	
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(213,904)	(71,277)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	134,124	(93,071)
34	Cash & Cash Equivalents At Beginning Of Year	130,395	223,466
35	Cash & Cash Equivalents At End Of Year	$264,519	$130,395

Pattersonville Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$574,983	$532,477
2	Network Access Services	194,600	181,549
3	Long Distance Network Services	332,159	215,544
4	Miscellaneous Revenues	75,201	90,186
5	Uncollectible Revenues	(3,000)	(3,000)
6	Total Operating Revenues	$1,173,943	$1,016,756
7	Access Lines in Service	1,153	1,138
8	Total Revenue per Access Line	$1,018	$893
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$8,105	$3,904
2	General Support Services	42,706	41,705
3	Central Office Switching	31,602	44,767
4	Operator Systems Expense		
5	Central Office Transmission	18,345	9,903
6	Info. Origination/Termination	77,342	65,076
7	Cable & Wire Facilities	56,942	29,328
8	Total Plant Specific Operations	235,042	194,683
9	Other Plant, Prop, & Equip.	1,675	2,680
10	Network Operations	35,505	28,166
11	Access Expense		
12	Depreciation & Amortization Exp.	165,770	134,711
13	Total Plant Nonspecific Operations	202,950	165,557
14	Marketing Expense	15,591	33,628
15	Services Expense	144,252	123,885
16	Total Customer Operations	159,843	157,513
17	Executive & Planning	45,370	76,368
18	General & Administrative	278,779	162,415
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	324,149	238,783
21	Total Operations Expenses	$921,984	$756,536

Pattersonville Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$485,028	$502,781
2	Central Office Assets	612,192	552,576
3	Information Origination/Termination	64,364	64,356
4	Cable And Wire Facilities	755,982	691,896
5	Amortizable Assets		
6	Total Plant In Service	1,917,566	1,811,609
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	27,516	100,224
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$1,945,082	$1,911,833

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.5	2.0
	Percent Of Capitalization:		
16	Long Term Debt	31.8	32.4
17	Preferred Stock	1.0	0.9
18	Common Stock & Other Paid In Capital	4.2	4.0
19	Retained Earnings	63.0	62.7

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	13.7	12.4
21	Pretax Coverage Of Interest Charges	13.9	13.0
22	Common Stock Dividends As A % of Earnings	117.5	37.3
23	Return On Common Equity	17.4	13.9

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Port Byron Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS	----	----
	Cash and Equivalents		
1	Cash	$706,460	$414,262
2	Special Cash Deposits	100	100
3	Working Cash Advances	450	450
4	Temporary Investments		
5	Total Cash and Equivalents	707,010	414,812
6	Tel. Accounts Rec.(net)	196,786	180,025
7	Accts.Rec.- Affiliated Cos.	56	214
8	Accounts Rec. - Other	109,280	137,411
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	306,122	317,650
15	Inventories	76,848	80,215
16	Prepayments	82,547	81,758
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	1,172,527	894,435
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	48,077	21,984
22	Nonregulated Investments	184,676	
23	Unamortized Debt Issuance Expense	6,939	7,269
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements	4,401	6,897
26	Deferred Charges	477	
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	244,570	36,150
	REGULATED PLANT		
30	Tel. Plant in Service	4,438,985	4,518,425
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	285,715	129,264
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	4,724,700	4,647,689
38	Less Depreciation & Amortization	2,398,727	2,176,718
39	Net Telecommunications Plant	2,325,973	2,470,971
40	Total Assets and Other Debits	$3,743,070	$3,401,556

Port Byron Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	102,865	53,325
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments	24,216	29,868
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued		
10	Other Taxes - Accrued	1,830	21,699
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	183,920	25,206
14	Total Current Liabilities	312,831	130,098
	LONG-TERM DEBT		
15	Funded Debt	2,281,872	2,334,251
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,281,872	2,334,251
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	62,646	72,842
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	123,361	104,756
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	186,007	177,598
	STOCKHOLDER'S EQUITY		
30	Common Stock	61,515	61,515
31	Preferred Stock	110,300	112,300
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	6,280	5,640
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	784,263	580,155
38	Total Stockholder's Equity	962,358	759,610
39	Total Liabilities & Other Credits	$3,743,068	$3,401,557

Port Byron Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,835,721	$1,803,730
2	Operating Expenses	1,194,455	1,196,196
3	Net Operating Revenues	641,266	607,534
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	35,775	58,455
11	Federal Income Taxes	13,086	14,200
12	State & Local Income Taxes		
13	Other Taxes	225,632	215,006
14	Provision-Deferred Op.Income Taxes-Net	18,605	15,790
15	Total Operating Taxes	293,098	303,451
16	Net Operating Income	$348,168	$304,083
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$22,093	
18	Interest Income	27,216	4,931
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	2,947	3,194
24	Special Charges	(2,305)	(1,209)
25	Total Nonop.Income & Expenses	$49,951	$6,916

Port Byron Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	49,951	6,917
8	Income Available- Fixed Charges	398,119	310,999
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	138,980	133,103
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	511	1,361
13	Total	139,491	134,464
14	Income Before Extraordinary Items	258,628	176,535
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net	(45,630)	21,760
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total	(45,630)	21,760
19	NET INCOME	$212,998	$198,295
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$580,154	$390,820
21	Transferred from Income	212,997	198,295
22	Appropriations		
23	Dividends Dec.- Preferred Stock	7,791	7,861
24	- Common Stock	1,097	1,100
25	Adjustments		
26	Balance End of Year	784,263	580,154
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$784,263	$580,154
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

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Port Byron Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$212,520	$198,296
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	266,378	262,576
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	65,005	(46,489)
4	Deferred Taxes & ITCs	54,380	74,245
5	Current Income & Other Taxes Payable	(19,869)	17,819
6	Interest Payable	8,068	(382)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	97,665	(110,001)
11	Total Adjustments	471,627	197,768
12	Net Cash From Operating Activities	684,147	396,064
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(313,751)	(230,281)
14	Acquisition Of Other Non-current Assets	(4,000)	(510)
15	Payments - Acq. Of Other Debt & Equity Securities	(360,038)	
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	10,522	52,628
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(667,267)	(178,163)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(52,378)	(46,870)
25	Common Stock		
26	Preferred Stock	(1,360)	
27	Short-term Debt		
28	Dividends Paid	(8,889)	(8,961)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(62,627)	(55,831)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(45,747)	162,070
34	Cash & Cash Equivalents At Beginning Of Year	414,812	252,742
35	Cash & Cash Equivalents At End Of Year	$369,065	$414,812

Port Byron Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$683,750	$657,994
2	Network Access Services	324,835	295,095
3	Long Distance Network Services	699,839	740,247
4	Miscellaneous Revenues	140,266	127,874
5	Uncollectible Revenues	(12,970)	(17,480)
6	Total Operating Revenues	$1,835,720	$1,803,730
7	Access Lines in Service	2,811	2,719
8	Total Revenue per Access Line	$653	$663

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$519	
2	General Support Services	25,076	31,845
3	Central Office Switching	95,560	132,529
4	Operator Systems Expense		
5	Central Office Transmission	196	
6	Info. Origination/Termination	9,477	20,636
7	Cable & Wire Facilities	124,981	98,853
8	Total Plant Specific Operations	255,809	283,863
9	Other Plant, Prop, & Equip.		
10	Network Operations	8,431	13,502
11	Access Expense		
12	Depreciation & Amortization Exp.	263,552	259,750
13	Total Plant Nonspecific Operations	271,983	273,252
14	Marketing Expense	83	1,347
15	Services Expense	169,097	172,317
16	Total Customer Operations	169,180	173,664
17	Executive & Planning	141,227	122,744
18	General & Administrative	356,251	342,673
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	497,478	465,417
21	Total Operations Expenses	$1,194,450	$1,196,196

Port Byron Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$842,739	$801,960
2	Central Office Assets	1,670,376	1,644,582
3	Information Origination/Termination	251,625	252,164
4	Cable And Wire Facilities	1,858,721	1,819,720
5	Amortizable Assets		
6	Total Plant In Service	4,623,462	4,518,426
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	285,715	129,264
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$4,909,177	$4,647,690

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	3.7	6.9
	Percent Of Capitalization:		
16	Long Term Debt	70.3	75.4
17	Preferred Stock	3.4	3.6
18	Common Stock & Other Paid In Capital	2.1	2.2
19	Retained Earnings	24.2	18.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	11.6	11.0
21	Pretax Coverage Of Interest Charges	3.3	3.0
22	Common Stock Dividends As A % of Earnings	0.5	0.6
23	Return On Common Equity	27.4	34.5

COMMUNICATIONS

Rochester Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$2,231,946	$940,316
2	Special Cash Deposits	425	425
3	Working Cash Advances	113,640	83,040
4	Temporary Investments	31,012,343	
5	Total Cash and Equivalents	33,358,354	1,023,781
6	Tel. Accounts Rec.(net)	34,057,524	30,978,716
7	Accts.Rec.- Affiliated Cos.	6,752,826	3,052,781
8	Accounts Rec. - Other	9,282,524	9,654,031
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	50,092,874	43,685,528
15	Inventories	4,204,166	4,909 926
16	Prepayments	11,933,257	12,541,727
17	Other Current Assets	1,156,635	(3,824,780)
18	Current Deferred Inc. Taxes (Dr.)	2,012,800	439,200
19	Total Current Assets	102,758,086	58,775,382
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	182,630,045	129,243,496
21	Investments in Nonaffiliated Cos.	381,021	381,021
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	1,662,250	868,534
24	Sinking Funds & Other Noncurrent	3,112,398	803,937
25	Deferred Maintenance & Retirements		
26	Deferred Charges	5,818,798	7,954,717
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	1,891,714	892,397
29	Total Noncurrent Assets	195,496,226	140,144,102
	REGULATED PLANT		
30	Tel. Plant in Service	730,389,248	685,961,795
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	18,948,367	15,219,116
33	- Long Term	2,281,533	1,751,687
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	306,555	306,555
36	Goodwill	18,642,891	12,225,520
37	Total Telecommunications Plant	770,568,594	715,464,673
38	Less Depreciation & Amortization	242,833,464	222,964,841
39	Net Telecommunications Plant	527,735,130	492,499,832
40	Total Assets and Other Debits	$825,989,442	$691,419,316

Rochester Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.	$23,966,868	$9,062,425
2 Accounts Payable - Other	26,672,032	27,037,334
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other		7,000,000
5 Advance Billing & Payments	7,079,005	6,817,343
6 Customers' Deposits	563,930	733,423
7 Current Maturities - LT Debt	18,000,000	18,500,000
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	1,778,689	2,139,296
10 Other Taxes - Accrued	6,254,343	6,146,979
11 Current Def. Op. Inc. Taxes - Cr.	2,576,700	1,175,300
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	20,446,383	18,348,299
14 Total Current Liabilities	107,337,950	96,960,399
LONG-TERM DEBT		
15 Funded Debt	257,465,000	175,549,000
16 Prem. & Disc. on LT Debt	(1,627,493)	(280,687)
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	255,837,507	175,268,313
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net	14,370,200	16,215,000
24 Unamortized Nonoper. ITC - net		
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	63,905,517	55,164,171
26 Nonoperating Income Taxes - cr.	1,032,508	600,090
27 Other Deferred Credits	1,804,013	4,595,028
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	81,112,238	76,574,289
STOCKHOLDER'S EQUITY		
30 Common Stock	63,105,440	28,831,467
31 Preferred Stock	20,000,000	20,000,000
32 Additional Paid-in Capital	72,937,216	73,918,444
33 Treasury Stock		(2,843,280)
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	225,659,091	222,709,684
38 Total Stockholder's Equity	381,701,747	342,616,315
39 Total Liabilities & Other Credits	$825,989,442	$691,419,316

Rochester Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$246,605,800	$241,839,282
2	Operating Expenses	176,420,801	166,553,068
3	Net Operating Revenues	70,184,999	75,286,214
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(1,844,800)	(2,004,200)
11	Federal Income Taxes	8,916,420	10,914,830
12	State & Local Income Taxes		
13	Other Taxes	23,005,054	21,868,304
14	Provision-Deferred Op.Income Taxes-Net	7,729,848	10,042,215
15	Total Operating Taxes	37,806,522	40,821,149
16	Net Operating Income	$32,378,477	$34,465,065
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$7,920,281	$5,876,573
18	Interest Income	1,245,071	1,492,824
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	1,589,013	1,394,443
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	1,059,239	590,415
23	Other Nonoperating Income	(406,152)	(225,393)
24	Special Charges	(3,055,937)	(2,275,940)
25	Total Nonop.Income & Expenses	$8,351,515	$6,852,922

Rochester Telephone Corporation
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($318,702)	
2	Federal Income Taxes		($406,096)
3	State & Local Taxes		
4	Other Taxes	43,800	65,772
5	Prov. -Def. Income Taxes-Net	250,847	293,652
6	Total Nonoperating Taxes	(24,055)	(46,672)
7	Total Nonoperating Income	8,375,570	6,899,594
8	Income Available- Fixed Charges	40,754,047	41,364,659
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	14,518,747	14,024,302
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	124,224	130,295
12	Other Interest Deductions	4,043,881	141,605
13	Total	18,686,852	14,296,202
14	Income Before Extraordinary Items	22,067,195	27,068,457
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net	(196)	20,327
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	15,967,961	15,180,897
18	Total	15,967,765	15,201,224
19	NET INCOME	$38,034,960	$42,269,681
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$222,709,684	$212,561,948
21	Transferred from Income	38,034,960	42,269,681
22	Appropriations		
23	Dividends Dec.- Preferred Stock	1,012,500	1,012,500
24	- Common Stock	34,071,637	31,105,197
25	Adjustments	(1,416)	(4,248)
26	Balance End of Year	225,659,091	222,709,684
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$225,659,091	$222,709,684

Rochester Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$38,035	$42,270
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	39,157	41,703
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(15,561)	2,111
4	Deferred Taxes & ITCs	6,157	8,235
5	Current Income & Other Taxes Payable	(253)	442
6	Interest Payable	(37)	(8)
7	Equity In Loss (Earnings) Of Affiliates	(1,147)	(590)
8	Capitalized AFDUC - Equity	(1,589)	(1,394)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(6,475)	2,758
11	Total Adjustments	20,252	53,257
12	Net Cash From Operating Activities	58,287	95,527
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(64,113)	(62,686)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities	(70)	
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(57,447)	(37,904)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	32,500	6,167
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(252)	686
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(89,382)	(93,737)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	81,500	5,300
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	17,000	7,000
28	Dividends Paid	(33,977)	(31,361)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	(1,094)	(126)
32	Net Cash From Financing Activities	63,429	(19,187)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	32,334	(17,397)
34	Cash & Cash Equivalents At Beginning Of Year	1,024	18,421
35	Cash & Cash Equivalents At End Of Year	$33,358	$1,024

Rochester Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$113,533,486	$108,379,460
2	Network Access Services	64,620,605	70,719,371
3	Long Distance Network Services	19,622,113	16,054,169
4	Miscellaneous Revenues	51,311,047	48,400,534
5	Uncollectible Revenues	(2,481,451)	(1,714,252)
6	Total Operating Revenues	$246,605,800	$241,839,282
7	Access Lines in Service	449,906	437,892
8	Total Revenue per Access Line	$548	$552
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$468,761	$474,942
2	General Support Services	14,066,903	13,294,420
3	Central Office Switching	9,550,908	8,639,996
4	Operator Systems Expense	628,290	681,249
5	Central Office Transmission	1,591,136	1,397,740
6	Info. Origination/Termination	7,132,689	6,216,256
7	Cable & Wire Facilities	16,855,920	16,376,788
8	Total Plant Specific Operations	50,294,607	47,081,391
9	Other Plant, Prop, & Equip.	8,694	19,006
10	Network Operations	17,442,095	17,046,724
11	Access Expense		
12	Depreciation & Amortization Exp.	40,923,333	42,357,078
13	Total Plant Nonspecific Operations	58,374,122	59,422,808
14	Marketing Expense	4,588,742	3,964,625
15	Services Expense	32,515,172	30,657,399
16	Total Customer Operations	37,103,914	34,622,024
17	Executive & Planning	3,271,396	2,695,119
18	General & Administrative	27,376,762	22,731,726
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	30,648,158	25,426,845
21	Total Operations Expenses	$176,420,801	$166,553,068

Rochester Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$71,517,341	$66,266,434
2	Central Office Assets	280,193,877	259,423,247
3	Information Origination/Termination	54,834,554	56,676,802
4	Cable And Wire Facilities	315,682,645	294,338,777
5	Amortizable Assets	8,160,831	9,256,535
6	Total Plant In Service	730,389,248	685,961,795
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	21,229,900	16,970,803
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	306,555	306,555
13	Goodwill	18,642,891	12,225,520
14	Total Telecommunications Plant	$770,568,594	$715,464,673

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.0	0.6
	Percent Of Capitalization:		
16	Long Term Debt	40.1	33.8
17	Preferred Stock	3.1	3.9
18	Common Stock & Other Paid In Capital	21.3	19.3
19	Retained Earnings	35.4	43.0

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	15.4	17.5
21	Pretax Coverage Of Interest Charges	3.0	4.2
22	Common Stock Dividends As A % of Earnings	89.6	73.6
23	Return On Common Equity	10.8	13.1

COMMUNICATIONS

Seneca-Gorham Telephone Corporation
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$802,607	$205,884
2	Special Cash Deposits		
3	Working Cash Advances	530	1,050
4	Temporary Investments		
5	Total Cash and Equivalents	803,137	206,934
6	Tel. Accounts Rec.(net)	274,809	225,604
7	Accts.Rec.- Affiliated Cos.	201,063	
8	Accounts Rec. - Other	211,084	174,591
9	Accts. Rec. Allow. - Affil. & Other	(4,052)	(7,791)
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	682,904	392,404
15	Inventories	353,191	575,806
16	Prepayments	68,716	70,330
17	Other Current Assets	251,898	278,643
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	2,159,846	1,524,117
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	134,000	130,000
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense		
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges		21,128
27	Other Jurisdictional Assets-Net	6,769	
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	140,769	151,128
	REGULATED PLANT		
30	Tel. Plant in Service	11,410,060	10,430,712
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term		21,349
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	16,965	460,455
36	Goodwill		
37	Total Telecommunications Plant	11,427,025	10,912,516
38	Less Depreciation & Amortization	2,819,899	2,328,580
39	Net Telecommunications Plant	8,607,126	8,583,936
40	Total Assets and Other Debits	$10,907,741	$10,259,181

Seneca-Gorham Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$22,006	$220,896
2	Accounts Payable - Other	176,265	
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	12,000	13,000
5	Advance Billing & Payments	19,561	47,633
6	Customers' Deposits	13,883	14,668
7	Current Maturities - LT Debt		44,000
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	(19,947)	(85,654)
10	Other Taxes - Accrued	35,288	5,626
11	Current Def. Op. Inc. Taxes - Cr.	15,514	(26,486)
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	228,213	91,228
14	Total Current Liabilities	502,783	324,911
	LONG-TERM DEBT		
15	Funded Debt	2,565,092	2,566,321
16	Prem. & Disc. on LT Debt	32,768	(34,312)
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,597,860	2,532,009
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net		428,631
24	Unamortized Nonoper. ITC - net		6,378
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	1,853,729	1,299,725
26	Nonoperating Income Taxes - cr.		66,600
27	Other Deferred Credits	72,990	231,346
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,926,719	2,032,680
	STOCKHOLDER'S EQUITY		
30	Common Stock	118,450	118,450
31	Preferred Stock	3,200	5,900
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	5,824,265	5,245,231
38	Total Stockholder's Equity	5,945,915	5,369,581
39	Total Liabilities & Other Credits	$10,973,277	$10,259,181

Seneca-Gorham Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$4,416,852	$4,046,994
2	Operating Expenses	2,757,734	2,484,017
3	Net Operating Revenues	1,659,118	1,562,977
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other	114,141	(146,629)
9	Total Other Op. Income & Expenses	114,141	(146,629)
	OPERATING TAXES		
10	Investment Tax Credits - Net		(39,166)
11	Federal Income Taxes	283,300	273,000
12	State & Local Income Taxes		
13	Other Taxes	269,796	293,448
14	Provision-Deferred Op.Income Taxes-Net	83,295	284,360
15	Total Operating Taxes	636,391	811,642
16	Net Operating Income	$1,136,868	$604,706
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	46,226	6,799
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	4,279	2,473
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		549
24	Special Charges	(5,464)	(12,161)
25	Total Nonop.Income & Expenses	$45,041	($2,340)

Seneca-Gorham Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	45,041	(2,340)
8	Income Available- Fixed Charges	1,181,909	602,366
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	168,942	183,973
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	1,544	1,663
12	Other Interest Deductions	1,204	4,758
13	Total	171,690	190,394
14	Income Before Extraordinary Items	1,010,219	411,972
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income	78,018	(199,514)
17	Other Nonregulated Revenues		
18	Total	78,018	(199,514)
19	NET INCOME	$1,088,237	$212,458
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$5,245,231	$5,107,594
21	Transferred from Income	1,088,237	212,458
22	Appropriations		
23	Dividends Dec.- Preferred Stock		3,750
24	- Common Stock	505,000	71,070
25	Adjustments	(4,203)	
26	Balance End of Year	5,824,265	5,245,232
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$5,824,265	$5,245,232

Seneca-Gorham Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$1,088,237	$212,458
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	702,909	680,642
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(53,193)	(28,839)
4	Deferred Taxes & ITCs	94,395	245,194
5	Current Income & Other Taxes Payable	95,368	(310,105)
6	Interest Payable	(177)	(298)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	(4,279)	(2,473)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(42,107)	53,244
11	Total Adjustments	792,916	637,365
12	Net Cash From Operating Activities	1,881,153	849,823
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(844,879)	(525,026)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(844,879)	(525,026)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(45,230)	(228,557)
25	Common Stock		
26	Preferred Stock	(2,700)	(94,100)
27	Short-term Debt		
28	Dividends Paid	(392,141)	(74,820)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(440,071)	(397,477)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	596,203	(72,680)
34	Cash & Cash Equivalents At Beginning Of Year	206,934	279,614
35	Cash & Cash Equivalents At End Of Year	$803,137	$206,934

Seneca-Gorham Telephone Corporation
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$852,455	$794,926
2	Network Access Services	1,439,405	1,289,382
3	Long Distance Network Services	1,610,308	1,432,605
4	Miscellaneous Revenues	525,624	565,586
5	Uncollectible Revenues	(10,940)	(35,505)
6	Total Operating Revenues	$4,416,852	$4,046,994
7	Access Lines in Service	7,958	7,754
8	Total Revenue per Access Line	$555	$522
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$2,582	$9,805
2	General Support Services	132,754	93,953
3	Central Office Switching	44,332	49,804
4	Operator Systems Expense		
5	Central Office Transmission	23,867	19,477
6	Info. Origination/Termination	7,573	6,683
7	Cable & Wire Facilities	163,667	146,080
8	Total Plant Specific Operations	$374,775	$325,802
9	Other Plant, Prop, & Equip.		
10	Network Operations	418,971	268,026
11	Access Expense		
12	Depreciation & Amortization Exp.	701,365	678,979
13	Total Plant Nonspecific Operations	$1,120,336	$947,005
14	Marketing Expense	$96,167	$28,229
15	Services Expense	340,369	309,366
16	Total Customer Operations	$436,536	$337,595
17	Executive & Planning	$238,202	$275,194
18	General & Administrative	587,884	598,421
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$826,086	$873,615
21	Total Operations Expenses	$2,757,733	$2,484,017

Seneca-Gorham Telephone Corporation
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,124,344	$1,896,208
2	Central Office Assets	4,582,135	4,337,708
3	Information Origination/Termination	325,907	307,150
4	Cable And Wire Facilities	4,377,674	4,146,087
5	Amortizable Assets		
6	Total Plant In Service	$11,410,060	$10,687,153
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term		21,349
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	16,965	16,965
13	Goodwill		
14	Total Telecommunications Plant	$11,427,025	$10,725,467

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	4.3	4.7
	Percent Of Capitalization:		
16	Long Term Debt	29.9	32.0
17	Preferred Stock	0.0	0.1
18	Common Stock & Other Paid In Capital	1.4	1.5
19	Retained Earnings	68.7	66.4

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	24.6	5.2
21	Pretax Coverage Of Interest Charges	2.1	5.9
22	Common Stock Dividends As A % of Earnings	46.4	33.5
23	Return On Common Equity	19.2	3.9

COMMUNICATIONS

State Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT ASSETS	----	----
Cash and Equivalents		
1 Cash	($6,993)	$134,256
2 Special Cash Deposits	815,943	506,790
3 Working Cash Advances	200	200
4 Temporary Investments		
5 Total Cash and Equivalents	809,150	641,246
6 Tel. Accounts Rec.(net)	127,057	108,876
7 Accts.Rec.- Affiliated Cos.		
8 Accounts Rec. - Other	378,496	172,196
9 Accts. Rec. Allow. - Affil. & Other		
10 Notes Rec. - Affiliated Cos.		
11 Notes Rec. - Other		
12 Notes Rec. Allow. Affil. & Other		
13 Interest and Dividends Rec.		
14 Total Receivables (net)	505,553	281,072
15 Inventories	141,363	112,107
16 Prepayments	124,248	276,570
17 Other Current Assets		
18 Current Deferred Inc. Taxes (Dr.)		
19 Total Current Assets	1,580,314	1,310,995
NONCURRENT ASSETS		
20 Inv. & Advances - Affiliated Cos.		
21 Investments in Nonaffiliated Cos.		
22 Nonregulated Investments		
23 Unamortized Debt Issuance Expense		
24 Sinking Funds & Other Noncurrent		
25 Deferred Maintenance & Retirements		
26 Deferred Charges		
27 Other Jurisdictional Assets-Net		
28 Noncurrent Deferred Inc. Taxes-Dr.		
29 Total Noncurrent Assets		
REGULATED PLANT		
30 Tel. Plant in Service	6,975,728	6,357,035
31 Property Held - Future Tel. Use		
Tel. Plant Under Construction:		
32 - Short Term		35,551
33 - Long Term		
34 Telecommunications Plant Adjustment		
35 Nonoperating Plant	632,850	581,742
36 Goodwill		
37 Total Telecommunications Plant	7,608,578	6,974,328
38 Less Depreciation & Amortization	3,332,325	3,163,650
39 Net Telecommunications Plant	4,276,253	3,810,678
40 Total Assets and Other Debits	$5,856,567	$5,121,673

State Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		$229,241
2	Accounts Payable - Other	211,169	
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments		
6	Customers' Deposits	33,455	34,915
7	Current Maturities - LT Debt		57,800
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued		
10	Other Taxes - Accrued	31,635	9,368
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	58,200	61,740
14	Total Current Liabilities	334,459	393,064
	LONG-TERM DEBT		
15	Funded Debt		
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt		
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities	35,765	
23	Unamortized Oper. ITC - net	40,242	46,089
24	Unamortized Nonoper. ITC - net	3,055	3,495
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	120,160	86,306
26	Nonoperating Income Taxes - cr.	1,894	1,055
27	Other Deferred Credits	117,510	121,644
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	318,626	258,589
	STOCKHOLDER'S EQUITY		
30	Common Stock	80,000	80,000
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	5,123,482	4,390,020
38	Total Stockholder's Equity	5,203,482	4,470,020
39	Total Liabilities & Other Credits	$5,856,567	$5,121,673

State Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$4,022,882	$3,839,780
2	Operating Expenses	2,352,705	2,153,590
3	Net Operating Revenues	1,670,177	1,686,190
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(5,847)	(9,385)
11	Federal Income Taxes	442,943	423,308
12	State & Local Income Taxes		
13	Other Taxes	259,439	248,293
14	Provision-Deferred Op.Income Taxes-Net	33,854	66,509
15	Total Operating Taxes	730,389	728,725
16	Net Operating Income	$939,788	$957,465
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income		
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(946)	823
25	Total Nonop.Income & Expenses	($946)	$823

State Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1988	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($440)	($761)
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	839	(201)
6	Total Nonoperating Taxes	399	(962)
7	Total Nonoperating Income	(1,345)	(139)
8	Income Available- Fixed Charges	938,443	957,604
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	1,927	4,982
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	3,054	4,322
13	Total	4,981	9,304
14	Income Before Extraordinary Items	933,462	948,300
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$933,462	$948,300
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$4,390,020	$3,560,599
21	Transferred from Income	933,462	948,300
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	200,000	250,000
25	Adjustments		131,121
26	Balance End of Year	5,123,482	4,390,020
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$5,123,482	$4,390,020
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

State Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$933,462	$948,300
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	349,251	360,213
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(65,509)	(116,174)
4	Deferred Taxes & ITCs	28,406	
5	Current Income & Other Taxes Payable	22,267	3,839
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(85,147)	53,739
11	Total Adjustments	249,268	301,617
12	Net Cash From Operating Activities	1,182,730	1,249,917
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(822,378)	(592,807)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	7,552	
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(814,826)	(592,807)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt		(57,800)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		(1,500)
28	Dividends Paid	(200,000)	(250,000)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(200,000)	(309,300)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	167,904	347,810
34	Cash & Cash Equivalents At Beginning Of Year	641,246	293,436
35	Cash & Cash Equivalents At End Of Year	$809,150	$641,246

State Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1988	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$1,375,157	$1,289,215
2	Network Access Services	1,206,465	1,076,520
3	Long Distance Network Services	784,842	846,024
4	Miscellaneous Revenues	687,440	666,744
5	Uncollectible Revenues	(31,022)	(38,724)
6	Total Operating Revenues	$4,022,882	$3,839,779
7	Access Lines in Service	6,809	6,795
8	Total Revenue per Access Line	$591	$565
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$9,578	$11,488
2	General Support Services	154,624	145,241
3	Central Office Switching	104,219	92,674
4	Operator Systems Expense		
5	Central Office Transmission	30,471	42,725
6	Info. Origination/Termination	255,110	246,201
7	Cable & Wire Facilities	263,817	155,339
8	Total Plant Specific Operations	$817,819	$693,668
9	Other Plant, Prop, & Equip.	$5,106	$4,217
10	Network Operations	86,182	136,563
11	Access Expense		
12	Depreciation & Amortization Exp.	349,251	360,213
13	Total Plant Nonspecific Operations	$440,539	$500,993
14	Marketing Expense	$4,204	
15	Services Expense	468,984	430,356
16	Total Customer Operations	$473,188	$430,356
17	Executive & Planning	$376,285	$334,759
18	General & Administrative	244,874	193,814
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$621,159	$528,573
21	Total Operations Expenses	$2,352,705	$2,153,590

State Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

	1989	1988
TELECOMMUNICATIONS PLANT IN SERVICE		
1 General Support Assets	$751,023	$519,653
2 Central Office Assets	2,355,777	2,293,615
3 Information Origination/Termination	383,190	375,186
4 Cable And Wire Facilities	3,485,738	3,168,581
5 Amortizable Assets		
6 Total Plant In Service	$6,975,728	$6,357,035
7 Property Held For Future Use		
8 Plant Under Construction - Short & Long Term		35,552
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition		
11 Other Plant		
12 Nonoperating Plant	632,850	581,742
13 Goodwill		
14 Total Telecommunications Plant	$7,608,578	$6,974,329

SELECTED BALANCE SHEET RELATIONSHIPS

	1989	1988
15 Current Assets/Current Liabilities	4.7	3.3
Percent Of Capitalization:		
16 Long Term Debt		
17 Preferred Stock		
18 Common Stock & Other Paid In Capital	1.5	1.8
19 Retained Earnings	98.5	98.2

SELECTED INCOME ACCOUNT RELATIONSHIPS

	1989	1988
20 Net Income- % Of Operating Revenues	23.2	24.7
21 Pretax Coverage Of Interest Charges	283.0	109.0
22 Common Stock Dividends As A % of Earnings	21.4	26.4
23 Return On Common Equity	19.3	23.4

COMMUNICATIONS

Sylvan Lake Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
		----	----
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$221,229	$189,582
2	Special Cash Deposits	1,050	1,050
3	Working Cash Advances	715	715
4	Temporary Investments		
5	Total Cash and Equivalents	222,994	191,347
6	Tel. Accounts Rec.(net)	1,171,623	328,357
7	Accts.Rec.- Affiliated Cos.	183,332	130,793
8	Accounts Rec. - Other	196,968	82,658
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	1,551,923	541,808
15	Inventories	600,886	281,431
16	Prepayments	159,976	143,312
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	2,535,779	1,157,898
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.		
21	Investments in Nonaffiliated Cos.	249,750	249,750
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	63,874	71,644
24	Sinking Funds & Other Noncurrent	3,750	
25	Deferred Maintenance & Retirements		
26	Deferred Charges	105,911	6,590
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	423,285	327,984
	REGULATED PLANT		
30	Tel. Plant in Service	22,996,163	21,210,450
31	Property Held - Future Tel. Use	2,086	2,086
	Tel. Plant Under Construction:		
32	- Short Term	813,170	1,114,487
33	- Long Term		
34	Telecommunications Plant Adjustment	78,169	78,169
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	23,889,588	22,405,192
38	Less Depreciation & Amortization	7,675,510	6,599,008
39	Net Telecommunications Plant	16,214,078	15,806,184
40	Total Assets and Other Debits	$19,173,142	$17,292,066

Sylvan Lake Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$758,282	$435,202
2	Accounts Payable - Other	1,583,596	633,226
3	Notes Payable - Affiliated Cos.	2,000,000	2,000,000
4	Notes Payable - Other		
5	Advance Billing & Payments	42,526	27,382
6	Customers' Deposits	95,522	82,487
7	Current Maturities - LT Debt	486,250	
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	79,927	59,576
10	Other Taxes - Accrued	(34,261)	(52,266)
11	Current Def. Op. Inc. Taxes - Cr.		(4,803)
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	414,304	390,636
14	Total Current Liabilities	5,426,146	3,571,440
	LONG-TERM DEBT		
15	Funded Debt	2,720,000	3,396,250
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		2,400,000
20	Other Long Term Debt		
21	Total Long - Term Debt	2,720,000	5,796,250
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	419,379	
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	2,543,583	2,570,142
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	45,000	
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	3,007,962	2,570,142
	STOCKHOLDER'S EQUITY		
30	Common Stock	168,000	168,000
31	Preferred Stock		
32	Additional Paid-in Capital	257,300	257,300
33	Treasury Stock		
34	Other Capital	2,867,000	767,000
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	4,729,734	4,161,934
38	Total Stockholder's Equity	8,022,034	5,354,234
39	Total Liabilities & Other Credits	$19,176,142	$17,292,066

Sylvan Lake Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$8,166,245	$7,494,147
2	Operating Expenses	4,736,041	4,237,505
3	Net Operating Revenues	3,430,204	3,256,642
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(81,300)	(80,200)
11	Federal Income Taxes	456,238	281,044
12	State & Local Income Taxes		
13	Other Taxes	613,966	552,608
14	Provision-Deferred Op.Income Taxes-Net	478,923	589,217
15	Total Operating Taxes	1,467,827	1,342,669
16	Net Operating Income	$1,962,377	$1,913,973
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	5,747	5,179
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	51,466	79,986
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income		
24	Special Charges	(28,408)	(4,033)
25	Total Nonop.Income & Expenses	$28,805	$81,132

Sylvan Lake Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes	1,113	391
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	1,113	391
7	Total Nonoperating Income	27,692	80,741
8	Income Available- Fixed Charges	1,990,069	1,994,714
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	358,587	374,934
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	7,770	7,770
12	Other Interest Deductions	230,311	368,335
13	Total	596,668	751,039
14	Income Before Extraordinary Items	1,393,401	1,243,675
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		
18	Total		
19	NET INCOME	$1,393,401	$1,243,675
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$4,161,937	$3,659,141
21	Transferred from Income	1,393,401	1,243,675
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	825,600	740,879
25	Adjustments		
26	Balance End of Year	4,729,738	4,161,937
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,729,738	$4,161,937

Sylvan Lake Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$1,393,401	$1,243,675
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,281,268	1,117,716
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(4,272)	9,634
4	Deferred Taxes & ITCs	397,623	504,314
5	Current Income & Other Taxes Payable	35,356	143,855
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity	51,466	79,986
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(66,965)	(147,625)
11	Total Adjustments	1,694,476	1,707,880
12	Net Cash From Operating Activities	3,087,877	2,951,555
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,740,629)	(2,159,385)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.	(2,400,000)	
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(4,140,629)	(2,159,385)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(190,000)	
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt		
28	Dividends Paid	(825,600)	(740,881)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	2,100,000	
32	Net Cash From Financing Activities	1,084,400	(740,881)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	31,648	51,289
34	Cash & Cash Equivalents At Beginning Of Year	189,581	140,058
35	Cash & Cash Equivalents At End Of Year	$221,229	$191,347

Sylvan Lake Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES	1989	1988
1 Local Network Services	$2,230,401	$2,148,378
2 Network Access Services	3,793,960	3,630,725
3 Long Distance Network Services	687,168	490,364
4 Miscellaneous Revenues	1,496,361	1,258,939
5 Uncollectible Revenues	(41,645)	(34,259)
6 Total Operating Revenues	$8,166,245	$7,494,147
7 Access Lines in Service	13,277	13,117
8 Total Revenue per Access Line	$615	$571

TELEPHONE OPERATING EXPENSES	1989	1988
1 Network Support Expenses	$12,114	$26,039
2 General Support Services	190,090	211,202
3 Central Office Switching	225,348	225,380
4 Operator Systems Expense		
5 Central Office Transmission	60,363	52,848
6 Info. Origination/Termination	242,413	264,106
7 Cable & Wire Facilities	500,504	401,198
8 Total Plant Specific Operations	$1,230,832	$1,180,773
9 Other Plant, Prop, & Equip.	$3,694	$1,013
10 Network Operations	383,716	320,470
11 Access Expense		
12 Depreciation & Amortization Exp.	1,281,268	1,117,716
13 Total Plant Nonspecific Operations	$1,668,678	$1,439,199
14 Marketing Expense	$126,397	$84,105
15 Services Expense	892,845	761,910
16 Total Customer Operations	$1,019,242	$846,015
17 Executive & Planning	$242,225	$192,498
18 General & Administrative	575,062	579,020
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	$817,287	$771,518
21 Total Operations Expenses	$4,736,039	$4,237,505

Sylvan Lake Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,941,697	$1,834,093
2	Central Office Assets	9,599,876	8,883,466
3	Information Origination/Termination	1,605,073	1,582,463
4	Cable And Wire Facilities	9,848,731	8,909,642
5	Amortizable Assets	786	786
6	Total Plant In Service	$22,996,163	$21,210,450
7	Property Held For Future Use	2,086	2,086
8	Plant Under Construction - Short & Long Term	813,170	1,114,487
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition	78,169	78,169
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$23,889,588	$22,405,192

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.5	0.3
	Percent Of Capitalization:		
16	Long Term Debt	25.3	52.0
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	30.6	10.7
19	Retained Earnings	44.0	37.3

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	17.1	16.6
21	Pretax Coverage Of Interest Charges	4.8	3.7
22	Common Stock Dividends As A % of Earnings	59.3	59.6
23	Return On Common Equity	20.8	24.4

COMMUNICATIONS

Taconic Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$577,963	$536,458
2	Special Cash Deposits	1,219,776	17,540
3	Working Cash Advances	1,325	1,685
4	Temporary Investments		
5	Total Cash and Equivalents	1,799,064	555,683
6	Tel. Accounts Rec.(net)	1,167,735	1,038,584
7	Accts.Rec.- Affiliated Cos.	225,758	155,309
8	Accounts Rec. - Other	520,674	524,212
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	1,914,167	1,718,105
15	Inventories	422,968	363,752
16	Prepayments	230,352	222,472
17	Other Current Assets	34,895	52,635
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	4,401,446	2,912,647
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	799,713	632,218
21	Investments in Nonaffiliated Cos.	545,710	352,710
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	66,024	20,374
24	Sinking Funds & Other Noncurrent	78,588	59,781
25	Deferred Maintenance & Retirements		
26	Deferred Charges	17,583	2,379
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	54,782	221,772
29	Total Noncurrent Assets	1,562,400	1,289,234
	REGULATED PLANT		
30	Tel. Plant in Service	31,141,812	28,806,461
31	Property Held - Future Tel. Use	102,109	25,196
	Tel. Plant Under Construction:		
32	- Short Term	540,031	538,633
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	4,742	1,726
36	Goodwill		
37	Total Telecommunications Plant	31,788,694	29,372,016
38	Less Depreciation & Amortization	8,666,590	7,925,757
39	Net Telecommunications Plant	23,122,104	21,446,259
40	Total Assets and Other Debits	$29,085,950	$25,648,140

Taconic Telephone Corp.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$58,651	$97,393
2	Accounts Payable - Other	447,884	367,335
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		2,752,635
5	Advance Billing & Payments	42,608	28,973
6	Customers' Deposits	89,503	82,179
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	58,722	147,344
10	Other Taxes - Accrued		
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	2,056,422	1,098,605
14	Total Current Liabilities	2,753,790	4,574,464
	LONG-TERM DEBT		
15	Funded Debt	11,224,093	8,604,062
16	Prem. & Disc. on LT Debt	(44,215)	(46,426)
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	11,179,878	8,557,636
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	826,210	844,437
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	3,262,155	2,710,122
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	4,088,365	3,554,559
	STOCKHOLDER'S EQUITY		
30	Common Stock	677,719	677,719
31	Preferred Stock		
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings	198,703	32,208
37	Unappropriated Retained Earnings	10,187,495	8,251,554
38	Total Stockholder's Equity	11,063,917	8,961,481
39	Total Liabilities & Other Credits	$29,085,950	$25,648,140

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Taconic Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$12,490,316	$10,638,187
2	Operating Expenses	7,363,940	6,783,894
3	Net Operating Revenues	5,126,376	3,854,293
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(71,774)	(65,551)
11	Federal Income Taxes	733,350	230,411
12	State & Local Income Taxes		1,063
13	Other Taxes	995,543	880,727
14	Provision-Deferred Op.Income Taxes-Net	512,216	507,601
15	Total Operating Taxes	2,169,335	1,554,251
16	Net Operating Income	$2,957,041	$2,300,042
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$3,841	$3,453
18	Interest Income	2,236	47,894
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	54,114	77,383
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	166,495	711,720
23	Other Nonoperating Income	204,650	93,161
24	Special Charges	(28,239)	(6,843)
25	Total Nonop.Income & Expenses	$403,097	$926,768

Taconic Telephone Corp.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes		
7	Total Nonoperating Income	403,097	926,768
8	Income Available- Fixed Charges	3,360,138	3,226,810
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	801,363	806,663
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense		
12	Other Interest Deductions	262,612	283,354
13	Total	1,063,975	1,090,017
14	Income Before Extraordinary Items	2,296,163	2,136,793
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	191,189	
18	Total	191,189	
19	NET INCOME	$2,487,352	$2,136,793
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$8,251,554	$7,170,715
21	Transferred from Income	2,320,857	1,425,073
22	Appropriations		
23	Dividends Dec.- Preferred Stock		
24	- Common Stock	384,916	344,234
25	Adjustments		
26	Balance End of Year	10,187,495	8,251,554
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$10,187,495	$8,251,554
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year	32,208	($679,512)
30	Balance End of Year	198,703	32,208

Taconic Telephone Corp.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$2,487,352	$2,136,793
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,444,767	1,313,660
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	417,067	111,331
4	Deferred Taxes & ITCs	533,806	342,331
5	Current Income & Other Taxes Payable	(146,166)	(132,213)
6	Interest Payable	5,329	
7	Equity In Loss (Earnings) Of Affiliates	(166,495)	(711,720)
8	Capitalized AFDUC - Equity	12,880	77,383
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	125,603	208,884
11	Total Adjustments	2,226,791	1,209,656
12	Net Cash From Operating Activities	4,714,143	3,346,449
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(3,131,281)	(2,743,610)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.	(1,000)	
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(193,000)	(308,832)
23	Net Cash From Investing Activities	(3,325,281)	(3,052,442)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	2,992,070	(97,064)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(2,752,635)	
28	Dividends Paid	(384,916)	(344,234)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(145,481)	(441,298)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	1,243,381	(147,291)
34	Cash & Cash Equivalents At Beginning Of Year	553,683	702,974
35	Cash & Cash Equivalents At End Of Year	$1,797,064	$555,683

Taconic Telephone Corp.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$3,562,432	$3,007,575
2	Network Access Services	4,574,340	3,945,691
3	Long Distance Network Services	2,971,283	1,546,577
4	Miscellaneous Revenues	1,481,461	2,215,144
5	Uncollectible Revenues	(99,200)	(76,800)
6	Total Operating Revenues	$12,490,316	$10,638,187
7	Access Lines in Service	20,790	20,137
8	Total Revenue per Access Line	$601	$528
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	$73,815	$57,041
2	General Support Services	347,690	269,750
3	Central Office Switching	368,330	315,044
4	Operator Systems Expense	498	1,737
5	Central Office Transmission	63,951	59,253
6	Info. Origination/Termination	128,585	164,143
7	Cable & Wire Facilities	717,002	714,645
8	Total Plant Specific Operations	1,699,871	1,581,613
9	Other Plant, Prop, & Equip.		
10	Network Operations	847,172	633,066
11	Access Expense	9,065	12,698
12	Depreciation & Amortization Exp.	1,442,557	1,313,660
13	Total Plant Nonspecific Operations	2,298,794	1,959,424
14	Marketing Expense	75,706	50,214
15	Services Expense	1,326,824	1,253,145
16	Total Customer Operations	1,402,530	1,303,359
17	Executive & Planning	548,485	507,967
18	General & Administrative	1,414,260	1,431,531
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	1,962,745	1,939,498
21	Total Operations Expenses	$7,363,940	$6,783,894

Taconic Telephone Corp.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$3,405,861	$3,281,496
2	Central Office Assets	11,929,594	11,309,153
3	Information Origination/Termination	887,757	649,170
4	Cable And Wire Facilities	14,918,600	13,566,643
5	Amortizable Assets		
6	Total Plant In Service	31,141,812	28,806,462
7	Property Held For Future Use	102,109	25,196
8	Plant Under Construction - Short & Long Term	540,031	538,632
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	4,742	1,726
13	Goodwill		
14	Total Telecommunications Plant	$31,788,694	$29,372,016

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.6	0.6
	Percent Of Capitalization:		
16	Long Term Debt	50.3	48.8
17	Preferred Stock		
18	Common Stock & Other Paid In Capital	3.9	4.1
19	Retained Earnings	45.8	47.1

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	19.9	20.1
21	Pretax Coverage Of Interest Charges	4.3	3.6
22	Common Stock Dividends As A % of Earnings	15.5	16.1
23	Return On Common Equity	24.8	26.5

COMMUNICATIONS

Township Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$297,167	$107,012
2	Special Cash Deposits		
3	Working Cash Advances	225	225
4	Temporary Investments		
5	Total Cash and Equivalents	297,392	107,237
6	Tel. Accounts Rec.(net)	139,773	116,682
7	Accts.Rec.- Affiliated Cos.		
8	Accounts Rec. - Other	79,127	96,514
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	218,900	213,196
15	Inventories	38,492	
16	Prepayments	101,253	121,237
17	Other Current Assets		90,645
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	656,037	532,315
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	510	510
21	Investments in Nonaffiliated Cos.	187,800	5,000
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	30,017	32,146
24	Sinking Funds & Other Noncurrent	66,775	56,393
25	Deferred Maintenance & Retirements		
26	Deferred Charges	51,246	263,076
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	336,348	357,125
	REGULATED PLANT		
30	Tel. Plant in Service	7,961,909	5,414,638
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	153,096	1,184,788
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant	5,449	13,787
36	Goodwill		
37	Total Telecommunications Plant	8,120,454	6,613,213
38	Less Depreciation & Amortization	1,708,303	1,527,113
39	Net Telecommunications Plant	6,412,151	5,086,100
40	Total Assets and Other Debits	$7,404,536	$5,975,540

Township Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	$281,751	$769,573
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	400,000	1,220,000
5	Advance Billing & Payments		
6	Customers' Deposits		590
7	Current Maturities - LT Debt	64,215	62,112
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	11,803	
10	Other Taxes - Accrued	3,372	11,857
11	Current Def. Op. Inc. Taxes - Cr.	423	1,204
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	109,950	106,783
14	Total Current Liabilities	871,514	2,172,119
	LONG-TERM DEBT		
15	Funded Debt	4,320,445	1,913,357
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	4,320,445	1,913,357
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	153,834	151,881
24	Unamortized Nonoper. ITC - net		
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	543,865	441,213
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits		
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	697,699	593,094
	STOCKHOLDER'S EQUITY		
30	Common Stock	48,400	48,400
31	Preferred Stock	47,770	47,770
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital	30,339	30,339
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	1,388,369	1,170,461
38	Total Stockholder's Equity	1,514,878	1,296,970
39	Total Liabilities & Other Credits	$7,404,536	$5,975,540

Township Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$2,075,991	$1,848,726
2	Operating Expenses	1,266,961	1,183,315
3	Net Operating Revenues	809,030	665,411
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		(151)
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		(36,998)
9	Total Other Op. Income & Expenses		(37,149)
	OPERATING TAXES		
10	Investment Tax Credits - Net	17,289	14,465
11	Federal Income Taxes	51,247	43,396
12	State & Local Income Taxes		
13	Other Taxes	127,471	137,452
14	Provision-Deferred Op.Income Taxes-Net	101,872	108,969
15	Total Operating Taxes	297,879	304,282
16	Net Operating Income	511,151	323,980
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	3,681	3,466
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.		
23	Other Nonoperating Income	(3,186)	(185)
24	Special Charges	(938)	(3,185)
25	Total Nonop.Income & Expenses	($443)	$96

Township Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	1989	1988
NONOPERATING TAXES		
1 Investment Tax Credits-Net	($15,336)	$14,290
2 Federal Income Taxes	687	
3 State & Local Taxes		
4 Other Taxes		
5 Prov. -Def. Income Taxes-Net		
6 Total Nonoperating Taxes	(14,649)	(14,290)
7 Total Nonoperating Income	14,206	14,386
8 Income Available- Fixed Charges	525,357	338,366
INTEREST AND RELATED ITEMS		
9 Interest on Funded Debt	115,166	79,305
10 Interest Expense-Capital Leases		
11 Amort. Debt Issuance Expense	2,129	2,129
12 Other Interest Deductions	187,288	57,316
13 Total	304,583	138,750
14 Income Before Extraordinary Items	220,774	199,616
EXTRAORDINARY AND NONREGULATED ITEMS		
15 Extraordinary Items-Net		
16 Nonregulated Net Income		
17 Other Nonregulated Revenues		
18 Total		
19 NET INCOME	$220,774	$199,616
RETAINED EARNINGS		
Unappropriated Retained Earnings:		
20 Balance Beg. of Year	$1,170,461	$973,711
21 Transferred from Income	220,774	199,616
22 Appropriations		
23 Dividends Dec.- Preferred Stock	2,866	2,866
24 - Common Stock		
25 Adjustments		
26 Balance End of Year	1,388,369	1,170,461
27 Appropriated Retained Earnings		
28 Total Retained Earnings	$1,388,369	$1,170,461

Township Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$220,774	$199,616
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	289,285	277,585
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(12,385)	154,636
4	Deferred Taxes & ITCs	104,605	107,940
5	Current Income & Other Taxes Payable	3,318	(39,813)
6	Interest Payable	3,639	(282)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	251,902	(245,361)
11	Total Adjustments	640,364	254,705
12	Net Cash From Operating Activities	861,138	454,321
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(2,048,704)	(1,248,869)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		(510)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	(13,319)	18,754
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments	(182,800)	27,500
21	Other Non-current Assets	(10,382)	(9,671)
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(2,255,205)	(1,212,796)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	2,407,088	(60,366)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	(820,000)	800,000
28	Dividends Paid	(2,866)	(2,866)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	1,584,222	736,768
33	Net Incr./(Decr.) In Cash & Cash Equivalents	190,155	(21,707)
34	Cash & Cash Equivalents At Beginning Of Year	107,237	128,944
35	Cash & Cash Equivalents At End Of Year	$297,392	$107,237

Township Telephone Company, Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$667,105	$649,616
2 Network Access Services	778,598	615,974
3 Long Distance Network Services	445,322	497,462
4 Miscellaneous Revenues	190,349	99,757
5 Uncollectible Revenues	(5,383)	(14,083)
6 Total Operating Revenues	$2,075,991	$1,848,726
7 Access Lines in Service	5,476	5,346
8 Total Revenue per Access Line	$379	$346
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$831	$2,629
2 General Support Services	42,948	31,117
3 Central Office Switching	131,252	103,367
4 Operator Systems Expense		
5 Central Office Transmission	7,677	26,926
6 Info. Origination/Termination	113,852	149,816
7 Cable & Wire Facilities	99,083	116,983
8 Total Plant Specific Operations	395,643	430,838
9 Other Plant, Prop, & Equip.		145
10 Network Operations	98,935	52,119
11 Access Expense	3,333	4,354
12 Depreciation & Amortization Exp.	289,099	277,585
13 Total Plant Nonspecific Operations	391,367	334,203
14 Marketing Expense		
15 Services Expense	150,451	109,957
16 Total Customer Operations	150,451	109,957
17 Executive & Planning	168,180	145,639
18 General & Administrative	161,320	162,678
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	329,500	308,317
21 Total Operations Expenses	$1,266,961	$1,183,315

Township Telephone Company, Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$804,508	$643,714
2	Central Office Assets	2,750,394	2,223,239
3	Information Origination/Termination	336,663	341,616
4	Cable And Wire Facilities	4,070,344	2,206,069
5	Amortizable Assets		
6	Total Plant In Service	7,961,909	5,414,638
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	153,096	1,184,788
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant	5,449	13,787
13	Goodwill		
14	Total Telecommunications Plant	$8,120,454	$6,613,213

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	0.8	0.2
	Percent Of Capitalization:		
16	Long Term Debt	74.0	59.6
17	Preferred Stock	0.8	1.5
18	Common Stock & Other Paid In Capital	1.3	2.5
19	Retained Earnings	23.8	36.5

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	10.6	10.8
21	Pretax Coverage Of Interest Charges	2.3	3.5
22	Common Stock Dividends As A % of Earnings		
23	Return On Common Equity	16.0	17.1

COMMUNICATIONS

Trumansburg Home Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS	----	----
	Cash and Equivalents		
1	Cash	$21,839	$20,786
2	Special Cash Deposits		
3	Working Cash Advances	210	
4	Temporary Investments	84,940	77,084
5	Total Cash and Equivalents	106,989	97,870
6	Tel. Accounts Rec.(net)	184,629	163,119
7	Accts.Rec.- Affiliated Cos.	60,602	9,474
8	Accounts Rec. - Other	373,012	523,743
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		50,000
11	Notes Rec. - Other		17,030
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	618,243	763,366
15	Inventories	315,026	361,691
16	Prepayments		11,391
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	1,040,258	1,234,318
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	136,333	122,866
21	Investments in Nonaffiliated Cos.		
22	Nonregulated Investments	11,000	4,000
23	Unamortized Debt Issuance Expense	1,660	2,358
24	Sinking Funds & Other Noncurrent	350,731	313,214
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.	142,971	
29	Total Noncurrent Assets	642,695	442,438
	REGULATED PLANT		
30	Tel. Plant in Service	9,408,652	7,200,876
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	36,794	1,857,353
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	9,445,446	9,058,229
38	Less Depreciation & Amortization	2,450,368	3,041,525
39	Net Telecommunications Plant	6,995,078	6,016,704
40	Total Assets and Other Debits	$8,678,031	$7,693,460

Trumansburg Home Telephone Company, Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.	$324,308	$395,563
2	Accounts Payable - Other	65,975	87,798
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other	268,084	130,084
5	Advance Billing & Payments	45,020	39,278
6	Customers' Deposits	5,360	4,405
7	Current Maturities - LT Debt	105,000	5,000
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	62,202	(5,386)
10	Other Taxes - Accrued	84,184	80,104
11	Current Def. Op. Inc. Taxes - Cr.		13,096
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	115,956	200,115
14	Total Current Liabilities	1,076,089	950,057
	LONG-TERM DEBT		
15	Funded Debt	408,500	413,500
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases		
19	Advances from Affil. Cos.	590,000	250,000
20	Other Long Term Debt	500,000	600,000
21	Total Long - Term Debt	1,498,500	1,263,500
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	230,767	259,782
24	Unamortized Nonoper. ITC - net		498
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	902,256	646,974
26	Nonoperating Income Taxes - cr.		
27	Other Deferred Credits	95,730	69,348
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	1,228,753	976,602
	STOCKHOLDER'S EQUITY		
30	Common Stock	282,600	282,600
31	Preferred Stock	245,000	245,000
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings	88,833	20,472
37	Unappropriated Retained Earnings	4,258,256	3,955,229
38	Total Stockholder's Equity	4,874,689	4,503,301
39	Total Liabilities & Other Credits	$8,678,031	$7,693,460

Trumansburg Home Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$3,378,731	$3,243,240
2	Operating Expenses	2,400,753	2,273,138
3	Net Operating Revenues	977,978	970,102
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(16,380)	(21,136)
11	Federal Income Taxes	22,242	214,203
12	State & Local Income Taxes		
13	Other Taxes	229,476	220,496
14	Provision-Deferred Op.Income Taxes-Net	201,803	96,204
15	Total Operating Taxes	437,141	509,767
16	Net Operating Income	$540,837	$460,335
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		$10,005
18	Interest Income	19,346	59,607
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	82,434	20,062
21	Gains/Losses-Dispos. Certain Property		
22	Equity in Earnings Affiliated Co's.	13,467	20,472
23	Other Nonoperating Income	17	28,270
24	Special Charges	(1,250)	(42,791)
25	Total Nonop.Income & Expenses	$114,014	$95,625

Trumansburg Home Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net		($32)
2	Federal Income Taxes	4,528	12,049
3	State & Local Taxes		2,654
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net		
6	Total Nonoperating Taxes	4,528	14,671
7	Total Nonoperating Income	109,486	80,954
8	Income Available- Fixed Charges	650,323	541,289
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	153,003	74,856
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	698	698
12	Other Interest Deductions	26,449	15,461
13	Total	180,150	91,015
14	Income Before Extraordinary Items	470,173	450,274
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		59,591
18	Total		59,591
19	NET INCOME	$470,173	$509,865
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$3,955,229	$3,564,620
21	Transferred from Income	401,812	489,393
22	Appropriations		
23	Dividends Dec.- Preferred Stock	15,700	15,700
24	- Common Stock	83,084	83,084
25	Adjustments		
26	Balance End of Year	4,258,257	3,955,229
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$4,258,257	$3,955,229

Trumansburg Home Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
		----	----
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$470,173	$509,865
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	576,569	484,459
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	25,886	318,722
4	Deferred Taxes & ITCs	69,702	
5	Current Income & Other Taxes Payable		
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates	(13,467)	(20,376)
8	Capitalized AFDUC - Equity	(82,434)	(20,062)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	11,391	21,082
11	Total Adjustments	587,647	783,825
12	Net Cash From Operating Activities	1,057,820	1,293,690
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,459,431)	(2,379,900)
14	Acquisition Of Other Non-current Assets	7,000	
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.		25,000
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities	(37,517)	(55,318)
23	Net Cash From Investing Activities	(1,489,948)	(2,410,218)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	335,000	600,000
25	Common Stock		(83,083)
26	Preferred Stock		(15,700)
27	Short-term Debt	138,000	(5,000)
28	Dividends Paid	(98,783)	
29	Contributions & Advances - Subsidiary & Assoc. Co's.	67,030	
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	441,247	496,217
33	Net Incr./(Decr.) In Cash & Cash Equivalents	9,119	(620,311)
34	Cash & Cash Equivalents At Beginning Of Year	97,870	778,432
35	Cash & Cash Equivalents At End Of Year	$106,989	$158,121

Trumansburg Home Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

TELEPHONE OPERATING REVENUES

		1989	1988
1	Local Network Services	$1,002,762	$970,846
2	Network Access Services	1,280,283	1,268,975
3	Long Distance Network Services	669,553	655,240
4	Miscellaneous Revenues	444,376	354,645
5	Uncollectible Revenues	(18,243)	(6,466)
6	Total Operating Revenues	$3,378,731	$3,243,240
7	Access Lines in Service	5,884	5,776
8	Total Revenue per Access Line	$574	$562

TELEPHONE OPERATING EXPENSES

		1989	1988
1	Network Support Expenses	$12,736	$8,855
2	General Support Services	122,401	97,442
3	Central Office Switching	136,931	220,713
4	Operator Systems Expense		
5	Central Office Transmission	40,823	45,868
6	Info. Origination/Termination	34,046	29,895
7	Cable & Wire Facilities	434,837	493,861
8	Total Plant Specific Operations	$781,774	$896,634
9	Other Plant, Prop, & Equip.		$3,663
10	Network Operations	148,754	125,862
11	Access Expense		
12	Depreciation & Amortization Exp.	575,871	483,761
13	Total Plant Nonspecific Operations	$724,625	$613,286
14	Marketing Expense	$24,412	$2,629
15	Services Expense	364,538	361,480
16	Total Customer Operations	$388,950	$364,109
17	Executive & Planning	$200,499	$182,941
18	General & Administrative	304,905	216,168
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	$505,404	$399,109
21	Total Operations Expenses	$2,400,753	$2,273,138

Trumansburg Home Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$1,440,906	$1,091,193
2	Central Office Assets	3,444,264	2,056,554
3	Information Origination/Termination	461,719	461,719
4	Cable And Wire Facilities	4,061,762	3,591,408
5	Amortizable Assets		
6	Total Plant In Service	$9,408,651	$7,200,874
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	36,794	1,857,353
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$9,445,445	$9,058,227

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.0	1.3
	Percent Of Capitalization:		
16	Long Term Debt	23.5	21.9
17	Preferred Stock	3.8	4.2
18	Common Stock & Other Paid In Capital	5.8	5.3
19	Retained Earnings	66.8	68.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	13.9	15.7
21	Pretax Coverage Of Interest Charges	1.8	9.3
22	Common Stock Dividends As A % of Earnings	17.7	16.3
23	Return On Common Equity	10.2	(a)

COMMUNICATIONS

Vernon Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$134,038	$230,571
2	Special Cash Deposits		
3	Working Cash Advances		
4	Temporary Investments		
5	Total Cash and Equivalents	134,038	230,571
6	Tel. Accounts Rec.(net)	113,500	97,528
7	Accts.Rec.- Affiliated Cos.	107,641	
8	Accounts Rec. - Other	25,000	89,432
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	246,141	186,960
15	Inventories	225,281	181,412
16	Prepayments	55,739	86,478
17	Other Current Assets		13,260
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	661,199	698,681
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	(72,940)	
21	Investments in Nonaffiliated Cos.	18,500	18,500
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	4,372	4,570
24	Sinking Funds & Other Noncurrent		6,525
25	Deferred Maintenance & Retirements		
26	Deferred Charges		
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	(50,068)	29,595
	REGULATED PLANT		
30	Tel. Plant in Service	3,906,680	3,689,794
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term		146,890
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	3,906,680	3,836,684
38	Less Depreciation & Amortization	1,457,333	1,291,179
39	Net Telecommunications Plant	2,449,347	2,545,505
40	Total Assets and Other Debits	$3,060,478	$3,273,781

Vernon Telephone Co., Inc.
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT LIABILITIES		
1	Accounts Payable - Affiliated Cos.		
2	Accounts Payable - Other	$42,802	21,758
3	Notes Payable - Affiliated Cos.		
4	Notes Payable - Other		
5	Advance Billing & Payments		7,165
6	Customers' Deposits		
7	Current Maturities - LT Debt		
8	Current Maturities - Capital Leases		
9	Income Taxes - Accrued	5,010	
10	Other Taxes - Accrued	3,196	15,331
11	Current Def. Op. Inc. Taxes - Cr.		
12	Current Def. Nonop. Inc. Taxes - Cr.		
13	Other Current & Accrued Liab.	36,925	49,088
14	Total Current Liabilities	87,933	93,342
	LONG-TERM DEBT		
15	Funded Debt	2,127,191	2,176,226
16	Prem. & Disc. on LT Debt		
17	Reacquired Debt		
18	Obligations Under Capital Leases	6,063	12,336
19	Advances from Affil. Cos.		
20	Other Long Term Debt		
21	Total Long - Term Debt	2,133,254	2,188,562
	OTHER LIAB. & DEFERRED CREDITS		
22	Other LT Liabilities		
23	Unamortized Oper. ITC - net	82,796	89,826
24	Unamortized Nonoper. ITC - net	6,978	8,723
	Noncurrent Deferred:		
25	Operating Income Taxes - cr.	13,299	12,261
26	Nonoperating Income Taxes - cr.		749
27	Other Deferred Credits		1,380
28	Other Juris. Liab. & Def. Cr. - net		
29	Total Other Liab. & Deferred Credits	103,073	112,939
	STOCKHOLDER'S EQUITY		
30	Common Stock	70,000	70,000
31	Preferred Stock	38,850	79,850
32	Additional Paid-in Capital		
33	Treasury Stock		
34	Other Capital		
35	Approp. Retained Earnings		
36	Unapprop. Undist. Affil. Earnings		
37	Unappropriated Retained Earnings	627,368	729,088
38	Total Stockholder's Equity	736,218	878,938
39	Total Liabilities & Other Credits	$3,060,478	$3,273,781

Vernon Telephone Company, Inc.
Comparative Income apd Retained Earnings Statements
For the Year Ended Dgcember 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$1,493,730	$1,431,579
2	Operating Expenses	1,327,648	1,133,503
3	Net Operating Revenues	166,082	298,076
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(7,047)	6,882
11	Federal Income Taxes	5,010	
12	State & Local Income Taxes		
13	Other Taxes	136,222	122,413
14	Provision-Deferred Op.Income Taxes-Net	(337)	(14,998)
15	Total Operating Taxes	133,848	114,297
16	Net Operating Income	$32,234	$183,779
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income	$425	$425
18	Interest Income	6,290	14,365
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.		
21	Gains/Losses-Dispos. Certain Property	(147,648)	
22	Equity in Earnings Affiliated Co's.		(17,015)
23	Other Nonoperating Income	17,086	(22,690)
24	Special Charges	(14,690)	(17,669)
25	Total Nonop.Income & Expenses	($138,537)	($42,584)

Vernon Telephone Company, Inc.
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($1,745)	
2	Federal Income Taxes		
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(749)	
6	Total Nonoperating Taxes	(2,494)	
7	Total Nonoperating Income	(136,043)	(42,584)
8	Income Available- Fixed Charges	(103,809)	141,195
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	115,007	117,946
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	198	198
12	Other Interest Deductions	26	1,595
13	Total	115,231	119,739
14	Income Before Extraordinary Items	(219,040)	21,456
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues	129,281	(20,475)
18	Total	129,281	(20,475)
19	NET INCOME	($89,759)	$981
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$729,088	$733,098
21	Transferred from Income	(89,759)	981
22	Appropriations		
23	Dividends Dec.- Preferred Stock	3,561	4,991
24	- Common Stock	8,400	
25	Adjustments		
26	Balance End of Year	627,368	729,088
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$627,368	$729,088
	Unapp. Undistr. Subsidiary Earnings		
29	Balance Beg. of Year		
30	Balance End of Year		

Vernon Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	($89,759)	$981
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	242,163	211,112
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(76,002)	35,271
4	Deferred Taxes & ITCs	(9,866)	(8,116)
5	Current Income & Other Taxes Payable	(7,125)	522
6	Interest Payable	(300)	
7	Equity In Loss (Earnings) Of Affiliates	147,648	17,015
8	Capitalized AFDUC - Equity		
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	36,901	(9,624)
11	Total Adjustments	333,419	246,180
12	Net Cash From Operating Activities	243,660	247,161
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(195,936)	(286,255)
14	Acquisition Of Other Non-current Assets		(6,525)
15	Payments - Acq. Of Other Debt & Equity Securities		(9,000)
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(74,708)	(12,305)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment	32,195	15,955
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		154,760
21	Other Non-current Assets	6,525	
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(231,924)	(143,370)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(49,035)	(42,691)
25	Common Stock		
26	Preferred Stock	(41,000)	(6,650)
27	Short-term Debt		
28	Dividends Paid	(11,961)	(4,991)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases	(6,273)	(6,274)
31	Other Cash Flows - Financing Activities		
32	Net Cash From Financing Activities	(108,269)	(60,606)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	(96,533)	43,185
34	Cash & Cash Equivalents At Beginning Of Year	230,571	187,386
35	Cash & Cash Equivalents At End Of Year	$134,038	$230,571

Vernon Telephone Co., Inc.
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

		1989	1988
	TELEPHONE OPERATING REVENUES		
1	Local Network Services	$532,835	$510,637
2	Network Access Services	418,799	335,469
3	Long Distance Network Services	451,692	491,925
4	Miscellaneous Revenues	99,371	95,548
5	Uncollectible Revenues	(8,967)	(2,000)
6	Total Operating Revenues	$1,493,730	$1,431,579
7	Access Lines in Service	2,234	2,147
8	Total Revenue per Access Line	$669	$667
	TELEPHONE OPERATING EXPENSES		
1	Network Support Expenses	($1,431)	$681
2	General Support Services	110,679	88,233
3	Central Office Switching	34,341	40,521
4	Operator Systems Expense		
5	Central Office Transmission	483	82
6	Info. Origination/Termination	228,129	51,239
7	Cable & Wire Facilities	53,330	43,457
8	Total Plant Specific Operations	425,531	224,213
9	Other Plant, Prop, & Equip.		
10	Network Operations	122,435	127,162
11	Access Expense		
12	Depreciation & Amortization Exp.	246,643	210,932
13	Total Plant Nonspecific Operations	369,078	338,094
14	Marketing Expense	17,203	16,561
15	Services Expense	175,854	158,138
16	Total Customer Operations	193,057	174,699
17	Executive & Planning	128,598	109,643
18	General & Administrative	211,384	286,854
19	Provision - Uncollectible Notes Rec.		
20	Total Corporate Operations Exp.	339,982	396,497
21	Total Operations Expenses	$1,327,648	$1,133,503

Vernon Telephone Co., Inc.
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$994,254	$1,055,689
2	Central Office Assets	1,084,426	841,997
3	Information Origination/Termination	351,150	351,330
4	Cable And Wire Facilities	1,476,850	1,440,778
5	Amortizable Assets		
6	Total Plant In Service	3,906,680	3,689,794
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term		146,890
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$3,906,680	$3,836,684

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	7.5	7.5
	Percent Of Capitalization:		
16	Long Term Debt	74.3	71.3
17	Preferred Stock	1.4	2.6
18	Common Stock & Other Paid In Capital	2.4	2.3
19	Retained Earnings	21.9	23.8

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	(6.0)	0.1
21	Pretax Coverage Of Interest Charges	(0.9)	1.5
22	Common Stock Dividends As A % of Earnings	(9.4)	-
23	Return On Common Equity	(12.5)	-

COMMUNICATIONS

Warwick Valley Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

		1989	1988
	CURRENT ASSETS		
	Cash and Equivalents		
1	Cash	$247,068	$138,730
2	Special Cash Deposits		
3	Working Cash Advances		
4	Temporary Investments	9,938	6,796
5	Total Cash and Equivalents	257,006	145,526
6	Tel. Accounts Rec.(net)	1,322,788	1,171,552
7	Accts.Rec.- Affiliated Cos.		598,986
8	Accounts Rec. - Other	3,485,472	
9	Accts. Rec. Allow. - Affil. & Other		
10	Notes Rec. - Affiliated Cos.		
11	Notes Rec. - Other		
12	Notes Rec. Allow. Affil. & Other		
13	Interest and Dividends Rec.		
14	Total Receivables (net)	4,808,260	1,770,538
15	Inventories	863,957	947,858
16	Prepayments	301,475	290,416
17	Other Current Assets		
18	Current Deferred Inc. Taxes (Dr.)		
19	Total Current Assets	6,230,698	3,154,338
	NONCURRENT ASSETS		
20	Inv. & Advances - Affiliated Cos.	(78,121)	
21	Investments in Nonaffiliated Cos.	497,886	304,886
22	Nonregulated Investments		
23	Unamortized Debt Issuance Expense	11,615	20,895
24	Sinking Funds & Other Noncurrent		
25	Deferred Maintenance & Retirements		
26	Deferred Charges	31,607	31,607
27	Other Jurisdictional Assets-Net		
28	Noncurrent Deferred Inc. Taxes-Dr.		
29	Total Noncurrent Assets	462,987	357,388
	REGULATED PLANT		
30	Tel. Plant in Service	19,371,044	18,036,446
31	Property Held - Future Tel. Use		
	Tel. Plant Under Construction:		
32	- Short Term	359,671	230,872
33	- Long Term		
34	Telecommunications Plant Adjustment		
35	Nonoperating Plant		
36	Goodwill		
37	Total Telecommunications Plant	19,730,715	18,267,318
38	Less Depreciation & Amortization	5,635,925	4,839,158
39	Net Telecommunications Plant	14,094,790	13,428,160
40	Total Assets and Other Debits	$20,788,475	$16,939,886

Warwick Valley Telephone Company
Comparative Balance Sheet
For the Year Ended December 31

	1989	1988
CURRENT LIABILITIES		
1 Accounts Payable - Affiliated Cos.		
2 Accounts Payable - Other	1,138,505	1,098,753
3 Notes Payable - Affiliated Cos.		
4 Notes Payable - Other	1,700,000	500,000
5 Advance Billing & Payments	116,064	111,042
6 Customers' Deposits	231,423	262,766
7 Current Maturities - LT Debt		
8 Current Maturities - Capital Leases		
9 Income Taxes - Accrued	992,114	(226,788)
10 Other Taxes - Accrued	14,087	33,909
11 Current Def. Op. Inc. Taxes - Cr.		
12 Current Def. Nonop. Inc. Taxes - Cr.		
13 Other Current & Accrued Liab.	117,923	190,368
14 Total Current Liabilities	4,310,116	1,970,050
LONG-TERM DEBT		
15 Funded Debt	3,330,000	3,765,000
16 Prem. & Disc. on LT Debt		
17 Reacquired Debt		
18 Obligations Under Capital Leases		
19 Advances from Affil. Cos.		
20 Other Long Term Debt		
21 Total Long - Term Debt	3,330,000	3,765,000
OTHER LIAB. & DEFERRED CREDITS		
22 Other LT Liabilities		
23 Unamortized Oper. ITC - net	609,427	660,517
24 Unamortized Nonoper. ITC - net	37,554	41,347
Noncurrent Deferred:		
25 Operating Income Taxes - cr.	1,867,536	1,709,595
26 Nonoperating Income Taxes - cr.	104,790	139,719
27 Other Deferred Credits	246,414	139,727
28 Other Juris. Liab. & Def. Cr. - net		
29 Total Other Liab. & Deferred Credits	2,865,721	2,690,905
STOCKHOLDER'S EQUITY		
30 Common Stock	1,557,218	1,557,218
31 Preferred Stock	500,000	500,000
32 Additional Paid-in Capital		
33 Treasury Stock	(261,000)	
34 Other Capital		
35 Approp. Retained Earnings		
36 Unapprop. Undist. Affil. Earnings		
37 Unappropriated Retained Earnings	8,486,420	6,456,713
38 Total Stockholder's Equity	10,282,638	8,513,931
39 Total Liabilities & Other Credits	$20,788,475	$16,939,886

Warwick Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

	Item	1989	1988
	TELEPHONE OPERATING INCOME		
1	Operating Revenues	$9,693,591	$9,084,083
2	Operating Expenses	6,480,186	6,032,820
3	Net Operating Revenues	3,213,405	3,051,263
	OTHER OPER. INCOME & EXPENSE		
4	Income from Custom Work		
5	Return from Nonregulated Use of Regulated Facilities		
	Gains/Losses:		
6	Foreign Exchange		
7	Disposition of Land & Artworks		
8	Other		
9	Total Other Op. Income & Expenses		
	OPERATING TAXES		
10	Investment Tax Credits - Net	(51,090)	(51,858)
11	Federal Income Taxes	506,468	380,286
12	State & Local Income Taxes		
13	Other Taxes	742,696	755,390
14	Provision-Deferred Op.Income Taxes-Net	264,418	272,672
15	Total Operating Taxes	1,462,492	1,356,490
16	Net Operating Income	$1,750,913	$1,694,773
	NONOPERATING INCOME AND EXPENSES		
17	Dividend Income		
18	Interest Income	3,142	355
19	Income-Sinking & Other Funds		
20	Allow. for Funds Used During Const.	51,042	23,972
21	Gains/Losses-Dispos. Certain Property	3,559	3,745
22	Equity in Earnings Affiliated Co's.	(78,122)	
23	Other Nonoperating Income	3,193,000	62,100
24	Special Charges	(6,624)	(6,764)
25	Total Nonop.Income & Expenses	$3,165,997	$83,408

Warwick Valley Telephone Company
Comparative Income and Retained Earnings Statements
For the Year Ended December 31

		1989	1988
	NONOPERATING TAXES		
1	Investment Tax Credits-Net	($3,793)	($3,793)
2	Federal Income Taxes	1,085,646	22,926
3	State & Local Taxes		
4	Other Taxes		
5	Prov. -Def. Income Taxes-Net	(34,929)	(34,929)
6	Total Nonoperating Taxes	1,046,924	(15,796)
7	Total Nonoperating Income	2,119,073	99,205
8	Income Available- Fixed Charges	3,869,986	1,793,978
	INTEREST AND RELATED ITEMS		
9	Interest on Funded Debt	370,037	386,399
10	Interest Expense-Capital Leases		
11	Amort. Debt Issuance Expense	9,280	9,459
12	Other Interest Deductions	36,875	47,905
13	Total	416,192	443,763
14	Income Before Extraordinary Items	3,453,794	1,350,215
	EXTRAORDINARY AND NONREGULATED ITEMS		
15	Extraordinary Items-Net		
16	Nonregulated Net Income		
17	Other Nonregulated Revenues		7,993
18	Total		7,993
19	NET INCOME	$3,453,794	$1,358,208
	RETAINED EARNINGS		
	Unappropriated Retained Earnings:		
20	Balance Beg. of Year	$6,456,713	$5,807,501
21	Transferred from Income	3,453,794	1,358,209
22	Appropriations		
23	Dividends Dec.- Preferred Stock	25,000	25,000
24	- Common Stock	1,399,087	683,998
25	Adjustments		
26	Balance End of Year	8,486,420	6,456,712
27	Appropriated Retained Earnings		
28	Total Retained Earnings	$8,486,420	$6,456,712

Warwick Valley Telephone Company
Statement of Cash Flows
For the Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$3,453,794	$1,358,209
	Reconcile Net Income To Net Cash -Oper. Activities:		
2	Depr., Depl. & Amort.	1,262,727	1,230,636
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inventories-Net	(2,981,491)	233,318
4	Deferred Taxes & ITCs	174,816	230,466
5	Current Income & Other Taxes Payable	1,199,080	(264,845)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates	78,121	
8	Capitalized AFDUC - Equity	(51,042)	(23,972)
9	Dividends Recieved - Assoc. & Subsid. Co's.		
10	Other Adjustments	(42,402)	(221,631)
11	Total Adjustments	(360,191)	1,184,472
12	Net Cash From Operating Activities	3,093,603	2,542,681
	CASH FLOWS FROM INVESTING ACTIVITIES		
13	Total Cash Outflows For Construction	(1,869,036)	(1,525,798)
14	Acquisition Of Other Non-current Assets		
15	Payments - Acq. Of Other Debt & Equity Securities		
16	Investments In & Advances To Subsidiary & Assoc. Co's.	(193,000)	(161,850)
17	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
18	Property, Plant & Equipment		
19	Investments In Subsidiary & Assoc. Co's.		
20	Other Debt & Equity Investments		
21	Other Non-current Assets		
22	Other Cash Flows - Investing Activities		
23	Net Cash From Investing Activities	(2,062,036)	(1,687,648)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
24	Long-term Debt	(435,000)	(127,000)
25	Common Stock		
26	Preferred Stock		
27	Short-term Debt	1,200,000	(300,000)
28	Dividends Paid	(1,424,087)	(708,998)
29	Contributions & Advances - Subsidiary & Assoc. Co's.		
30	Principal Payments Under Capital Leases		
31	Other Cash Flows - Financing Activities	(261,000)	
32	Net Cash From Financing Activities	(920,087)	(1,135,998)
33	Net Incr./(Decr.) In Cash & Cash Equivalents	111,480	(280,965)
34	Cash & Cash Equivalents At Beginning Of Year	145,526	426,491
35	Cash & Cash Equivalents At End Of Year	$257,006	$145,526

Warwick Valley Telephone Company
Comparative Statements of Revenue and Operation and Maintenance
For the Year Ended December 31

	1989	1988
TELEPHONE OPERATING REVENUES		
1 Local Network Services	$1,614,808	$2,403,573
2 Network Access Services	3,064,955	2,673,859
3 Long Distance Network Services	2,162,360	2,112,416
4 Miscellaneous Revenues	2,884,646	1,918,235
5 Uncollectible Revenues	(33,178)	(24,000)
6 Total Operating Revenues	$9,693,591	$9,084,083
7 Access Lines in Service	17,719	16,902
8 Total Revenue per Access Line	$547	$537
TELEPHONE OPERATING EXPENSES		
1 Network Support Expenses	$6,243	$537
2 General Support Services	210,552	158,028
3 Central Office Switching	221,700	338,939
4 Operator Systems Expense	1,396	5,275
5 Central Office Transmission	95,057	86,683
6 Info. Origination/Termination	601,163	670,078
7 Cable & Wire Facilities	474,330	525,623
8 Total Plant Specific Operations	$1,610,441	$1,785,163
9 Other Plant, Prop, & Equip.		
10 Network Operations	505,404	300,948
11 Access Expense		
12 Depreciation & Amortization Exp.	1,253,446	1,221,177
13 Total Plant Nonspecific Operations	$1,758,850	$1,522,125
14 Marketing Expense	$106,986	$40,232
15 Services Expense	1,795,042	1,591,858
16 Total Customer Operations	$1,902,028	$1,632,090
17 Executive & Planning	$426,348	$355,114
18 General & Administrative	782,518	738,328
19 Provision - Uncollectible Notes Rec.		
20 Total Corporate Operations Exp.	$1,208,866	$1,093,442
21 Total Operations Expenses	$6,480,185	$6,032,820

Warwick Valley Telephone Company
Telecommunications Plant
For the Twelve Months Ended December 31,

		1989	1988
	TELECOMMUNICATIONS PLANT IN SERVICE		
1	General Support Assets	$2,820,521	$2,445,847
2	Central Office Assets	8,342,220	7,876,840
3	Information Origination/Termination	1,350,810	1,462,140
4	Cable And Wire Facilities	6,857,492	6,251,619
5	Amortizable Assets		
6	Total Plant In Service	$19,371,043	$18,036,446
7	Property Held For Future Use		
8	Plant Under Construction - Short & Long Term	359,671	230,871
9	Telecommunications Plant Adjustment:		
10	Tel. Acquisition		
11	Other Plant		
12	Nonoperating Plant		
13	Goodwill		
14	Total Telecommunications Plant	$19,730,714	$18,267,317

SELECTED BALANCE SHEET RELATIONSHIPS

		1989	1988
15	Current Assets/Current Liabilities	1.4	1.6
	Percent Of Capitalization:		
16	Long Term Debt	24.5	30.6
17	Preferred Stock	3.7	4.1
18	Common Stock & Other Paid In Capital	9.5	12.7
19	Retained Earnings	62.3	52.6

SELECTED INCOME ACCOUNT RELATIONSHIPS

		1989	1988
20	Net Income- % Of Operating Revenues	35.6	15.0
21	Pretax Coverage Of Interest Charges	12.4	5.4
22	Common Stock Dividends As A % of Earnings	40.5	50.4
23	Return On Common Equity	38.5	17.4

SECTION 4

WATER SERVICE COMPANIES

Balance Sheet

Asset Side

Liability Side

Statement of Cash Flows

Income Statement

Statement of Revenue Plant and Operation and Maintenance

Distribution of Revenues

301A

COUNTRY KNOLLS WATER WORKS, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 3,357,081	$ 3,117,807	$ 2,913,480	$ 2,844,583	$ 2,792,498
2	ACCUM. PROV. FOR DEPR. & AMORT.	564,547	513,261	467,807	428,387	384,301
3	NET WATER PLANT	2,792,534	2,604,546	2,445,673	2,416,196	2,408,197
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	90,587	109,449	16,705	162,005	84,126
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	488,856	583,428	552,122	482,028	241,452
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	9,284	-	-	-	-
14	PREPAYMENTS	65,299	67,246	64,725	60,294	53,885
15	OTHER CURRENT AND ACCRUED ASSETS	2,475	2,300	25,440	625	625
16	TOTAL CURRENT AND ACCRUED ASSETS	656,501	762,423	658,992	704,952	380,088
17	UNAMORTIZED DEBT EXPENSE	4,436	5,801	7,165	8,530	9,894
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	403,210	308,960	193,689	-	-
23	TOTAL DEFERRED DEBITS	407,646	314,761	200,854	8,530	9,894
24	TOTAL ASSETS AND OTHER DEBITS	$ 3,856,681	$ 3,681,730	$ 3,305,519	$ 3,129,678	$ 2,798,179
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 3,339,827	$ 3,117,807	$ 2,913,480	$ 2,844,583	$ 2,778,350
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	17,254	-	-	-	14,148
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	3,357,081	3,117,807	2,913,480	2,844,583	2,792,498
33	ACCUM. PROV. FOR DEPR. & AMORT.	564,547	513,261	467,807	428,387	384,301
34	NET WATER UTILITY PLANT	$ 2,792,534	$ 2,604,546	$ 2,445,673	$ 2,416,196	$ 2,408,197
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 3,117,807	$ 2,913,480	$ 2,844,583	$ 2,778,349	$ 2,731,558
36	ADDITIONS	222,020	204,327	68,897	82,287	46,791
37	RETIREMENTS	-	-	-	-	-
38	TRANSFERS AND ADJUSTMENTS	-	-	-	16,053-	-
39	END OF YEAR	$ 3,339,827	$ 3,117,807	$ 2,913,480	$ 2,844,583	$ 2,778,349

COUNTRY KNOLLS WATER WORKS, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	1
PREFERRED CAPITAL STOCK	-	-	-	-	-	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	-	-	-	354,500	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	765,794	931,869	955,692	544,073	450,084	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	785,794	951,869	975,692	918,573	470,084	11
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	227,932	227,932	227,932	983,049	1,000,077	13
OTHER LONG TERM DEBT	547,500	596,250	637,500	727,500	772,500	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	775,432	824,182	865,432	1,710,549	1,772,577	16
NOTES AND ACCOUNTS PAYABLE	89,594	150,929	72,354	7,649	16,094	17
PAYABLES TO ASSOCIATED COMPANIES	1,961,810	1,427,485	1,389,137	489,141	535,700	18
CUSTOMERS' DEPOSITS	-	-	-	-	-	19
TAXES ACCRUED	3,814-	4,995	2,904	3,766	3,724	20
OTHER CURRENT AND ACCRUED LIABILITIES	-	-	-	-	-	21
TOTAL CURRENT AND ACCRUED LIABILITIES	2,047,590	1,583,409	1,464,395	500,556	555,518	22
CUSTOMER ADVANCES FOR CONSTRUCTION	159,358	199,101	-	-	-	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-	24
OTHER DEFERRED CREDITS	-	-	-	-	-	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	-	-	-	-	-	27
OTHER	88,507	123,169	-	-	-	28
TOTAL DEFERRED CREDITS	247,865	322,270	-	-	-	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 3,856,681	$ 3,681,730	$ 3,305,519	$ 3,129,678	$ 2,798,179	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.32	0.48	0.45	1.41	0.68	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	49.6	46.4	47.0	65.0	79.0	33
PREFERRED STOCK	-	-	-	-	-	34
COMMON STOCK & OTHER PAID-IN CAPITAL	1.2	1.1	1.0	14.2	0.8	35
RETAINED EARNINGS	49.0	52.4	51.9	20.6	20.0	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	23.0	26.4	29.7	60.1	63.4	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	16.8	16.4	16.0	15.0	13.7	38

301C

Statement of Cash Flows
Country Knolls Water Works, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES	------	------
1	Net Income	($166,075)	($23,823)
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	52,651	46,818
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	466,797	113,302
4	Deferred Taxes & ITCs		
5	Current Income Taxes & Other Taxes Payable	(43,471)	125,260
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	(997)	(122,337)
10	Total Adjustments	474,980	163,043
11	Net Cash From Operating Activities	308,905	139,220
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(279,017)	(5,226)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(279,017)	(5,226)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(48,750)	
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid		(41,250)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(48,750)	(41,250)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(18,862)	92,744
32	Cash & Cash Equivalents At Beginning Of Year	109,449	16,705
33	Cash & Cash Equivalents At End Of Year	$90,587	$109,449

COUNTRY KNOLLS WATER WORKS, INC.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LI NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 1,151,654	$ 1,168,390	$ 1,071,053	$ 985,147	$ 899,337	1
OPERATION AND MAINTENANCE EXPENSE	777,996	768,550	588,067	495,350	433,989	2
DEPRECIATION	51,286	45,454	39,420	44,087	39,008	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	224,042	216,900	203,831	186,840	150,737	5
INCOME TAXES	-	-	-	-	-	6
TOTAL OPERATING EXPENSES	1,053,324	1,030,904	831,318	726,277	623,734	7
NET OPERATING REVENUES	98,330	137,486	239,735	258,870	275,603	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	98,330	137,486	239,735	258,870	275,603	10
OTHER INCOME						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	8,043	-	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	12
NONOPERATING RENTAL INCOME	-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	14
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	15
MISCELLANEOUS NONOPERATING INCOME	20,693	44,573	6,366	6,700	-	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	17
TOTAL OTHER INCOME	20,693	44,573	6,366	14,743	-	18
TOTAL INCOME	119,023	182,059	246,101	273,613	275,603	19
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	21
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	23
INCOME TAXES-NONOPERATING	-	-	-	-	-	24
TOTAL INCOME DEDUCTIONS	-	-	-	-	-	25
INCOME BEFORE INTEREST CHARGES	119,023	182,059	246,101	273,613	275,603	26
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	80,518	76,015	73,022	71,502	98,381	27
AMORT. OF DEBT DISCOUNT EXPENSE	1,365	1,365	1,365	1,365	1,365	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	175,071	128,502	112,742	105,921	127,890	30
OTHER INTEREST CHARGES	-	-	1,853	836	3,093	31
TOTAL INTEREST CHARGES	256,954	205,882	188,982	179,624	230,729	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 137,931-	$ 23,823-	$ 57,119	$ 93,989	$ 44,874	34
RETAINED EARNINGS						
BEGINNING OF YEAR	$ 931,869	$ 955,692	$ 544,073	$ 450,084	$ 405,210	35
TRANSFERRED FROM INCOME	137,931-	23,823-	57,119	93,989	44,874	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	38
-COMMON STOCK	-	-	-	-	-	39
ADJUSTMENTS	28,144-	-	354,500	-	-	40
BALANCE END OF YEAR	765,794	931,869	955,692	544,073	450,084	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 765,794	$ 931,869	$ 955,692	$ 544,073	$ 450,084	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	11.8-	1.9-	5.3	9.5	4.9	44
PRETAX COVERAGE OF INTEREST EXPENSE	0.5	0.9	1.3	1.5	1.2	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	-	-	-	-	-	46
RETURN ON COMMON EQUITY	-	-	6.0	13.5	10.0	47

301E

COUNTRY KNOLLS WATER WORKS, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES					
1	METERED SALES TO GENERAL CUSTOMERS	$ 1,095.823	$ 1,121.510	$ 1,037,050	$ 915.462	$ 856,175
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	48,496	40,544	31,088	68.483	38,928
5	TOTAL REVENUES FROM SALES OF WATER	1,144.319	1,162,054	1,068,138	983,945	895,103
6	OTHER WATER OPERATING REVENUES	7.335	6.336	2,915	1,202	4,234
7	TOTAL WATER OPERATING REVENUES	$ 1,151,654	$ 1,168,390	$ 1,071,053	$ 985.147	$ 899,337
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	425.588	426.734	414,591	359,805	341,966
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	425.588	426.734	414,591	359,805	341,966
	AVERAGE CUSTOMERS PER MONTH					
13	METERED SALES TO GENERAL CUSTOMERS	5,327	5,163	4,853	4,461	4,071
14	UNMETERED_SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	-	-	-	-	-
17	TOTAL CUSTOMERS	5,327	5,163	4,853	4,461	4,071
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 205.71	$ 217.22	$ 213.69	$ 205.21	$ 210.31
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	79.89	82.65	85.42	80.65	84.00
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	257.48	262.81	250.14	254.43	250.37
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 35.268	$ 48.172	$ 27,223	$ 24,042	$ 37.742
25	POWER AND PUMPING	172,830	150.706	151,569	126.525	110,895
26	PURIFICATION	69.021	67.298	35.941	27.094	22,813
27	TRANSMISSION AND DISTRIBUTION	145,975	114.259	117,630	91.653	89,502
28	CUSTOMERS ACCT'G & COLLECTING	98.781	108.420	91,898	63.840	41,063
29	ADMINISTRATIVE & GENERAL	256.121	279.695	163.806	162.196	131,974
30	TOTAL WATER O & M EXPENSES	$ 777,996	$ 768.550	$ 588.067	$ 495.350	$ 433.989

COUNTRY KNOLLS WATER WORKS, INC.
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 1,151,654	$ 1,168,390	$ 1,071,053	$ 985,147	$ 899,337	1
SALES (THOUSAND GALLONS)	425,588	426,734	414,591	359,806	341,966	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 153,848	$ 40,174	$ 116,522	$ 98,056	$ 84,430	3
WAGES AND BENEFITS	286,050	259,645	251,931	214,222	179,272	4
OTHER OPERATION AND MAINTENANCE EXPENSES	338,098	468,731	219,614	183,072	170,267	5
DEPRECIATION AND MAINTENANCE EXPENSES	51,286	45,454	39,420	44,037	39,008	6
INCOME TAXES - OPERATING	-	-	-	-	-	7
OTHER TAXES - OPERATING	224,042	216,900	203,831	186,840	150,737	8
INTEREST CHARGES*	256,954	205,882	188,982	179,624	230,729	9
PREFERRED DIVIDENDS*	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	158,624-	68,396-	50,753	79,246	44,874	11
TOTAL	$ 1,151,654	$ 1,168,390	$ 1,071,053	$ 985,147	$ 899,337	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	13.4	3.4	10.9	10.0	9.4	13
WAGES AND BENEFITS	24.8	22.2	23.5	21.7	19.9	14
OTHER OPERATION AND MAINTENANCE EXPENSES	29.4	40.1	20.5	18.6	18.9	15
DEPRECIATION AND AMORTIZATION EXPENSES	4.5	3.9	3.7	4.5	4.3	16
INCOME TAXES - OPERATING	-	-	-	-	-	17
OTHER TAXES - OPERATING	19.5	18.6	19.0	19.0	16.8	18
INTEREST CHARGES*	22.3	17.6	17.6	18.2	25.7	19
PREFERRED DIVIDENDS*	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	13.7-	5.8-	4.7	8.0	5.0	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	36.15	9.41	28.11	27.25	24.69	23
WAGES AND BENEFITS	67.21	60.84	60.77	59.54	52.42	24
OTHER OPERATION AND MAINTENANCE EXPENSES	79.44	109.84	52.97	50.88	49.80	25
DEPRECIATION AND AMORTIZATION EXPENSES	12.06	10.66	9.51	12.25	11.41	26
INCOME TAXES - OPERATING	-	-	-	-	-	27
OTHER TAXES - OPERATING	52.64	50.83	49.16	51.93	44.08	28
INTEREST CHARGES*	60.38	48.25	45.58	49.92	67.47	29
PREFERRED DIVIDENDS*	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	37.26-	16.02-	12.24	22.02	13.12	31
TOTAL	270.60	273.80	258.34	273.80	262.99	32

*NET OF AFC

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 120,774,938	$ 107,216,091	$ 95,205,493	$ 85,399,704	$ 78,148,567
2	ACCUM. PROV. FOR DEPR. & AMORT	25,045,910	23,982,363	22,560,316	21,281,435	20,560,147
3	NET WATER PLANT	95,729,028	83,233,728	72,645,177	64,118,269	57,588,420
4	OTHER PHYSICAL PROPERTY	5,816	5,816	5,816	5,816	5,816
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	5,816	5,816	5,816	5,816	5,816
8	CASH AND WORKING FUNDS	1,769,998-	1,540,460-	256,679	46,341	631,485
9	SPECIAL DEPOSITS	9,146,263	2,203,519	1,127,464	4,266,250	5,366,891
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM PROV. FOR UNCOLLECTIBLE ACCOUNTS	6,812,941	8,546,742	7,161,367	6,405,182	4,751,312
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	10,321
13	MATERIALS AND SUPPLIES	664,080	732,470	445,853	698,501	644,131
14	PREPAYMENTS	1,522,504	458,275	724,509	1,178,394	950,830
15	OTHER CURRENT AND ACCRUED ASSETS	3,477,000	3,021,000	2,594,000	2,709,000	1,655,100
16	TOTAL CURRENT AND ACCRUED ASSETS	19,852,790	13,421,546	12,309,872	15,303,668	14,010,070
17	UNAMORTIZED DEBT EXPENSE	1,557,043	671,071	714,949	852,509	930,321
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,192,183	932,842	742,432	880,754	357,311
23	TOTAL DEFERRED DEBITS	2,749,226	1,603,913	1,457,381	1,733,263	1,287,632
24	TOTAL ASSETS AND OTHER DEBITS	$ 118,336,860	$ 98,265,003	$ 86,418,246	$ 81,161,016	$ 72,891,938
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 117,344,237	$ 102,882,438	$ 92,420,132	$ 83,991,375	$ 77,199,743
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	3,582,811	4,485,763	2,937,471	1,560,439	1,100,934
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	152,110-	152,110-	152,110-	152,110-	152,110-
32	TOTAL WATER UTILITY PLANT	120,774,938	107,216,091	95,205,493	85,399,704	78,148,567
33	ACCUM. PROV. FOR DEPR. & AMURT.	25,045,910	23,982,363	22,560,316	21,281,435	20,560,147
34	NET WATER UTILITY PLANT	$ 95,729,028	$ 83,233,728	$ 72,645,177	$ 64,118,269	$ 57,588,420
	PLANT IN SERVICE					
35	BEGINNING OF YEAR	$ 102,882,438	$ 92,420,132	$ 83,991,375	$ 77,199,743	$ 70,829,031
36	ADDITIONS	15,172,031	10,801,340	8,825,475	7,361,933	7,496,695
37	RETIREMENTS	710,232	338,923	302,149	459,513	594,293
38	TRANSFERS AND ADJUSTMENTS	-	111-	94,569-	110,788-	531,690-
39	END OF YEAR	$ 117,344,237	$ 102,882,438	$ 92,420,132	$ 83,991,375	$ 77,199,743

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769	1
PREFERRED CAPITAL STOCK	7,704,760	7,938,750	8,173,440	3,405,530	3,537,620	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	6,785,454	6,785,454	4,785,454	2,785,454	1,285,454	7
CAPITAL STOCK EXPENSE	563,079-	605,877-	649,621-	429,810-	429,810-	8
RETAINED EARNINGS	30,649,792	26,933,225	23,715,069	21,010,454	18,861,450	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	48,732,696	45,207,321	40,180,111	30,927,397	27,410,483	11
BONDS (LESS BONDS REACQUIRED)	34,500,000	16,200,500	17,028,500	21,756,500	26,684,500	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	-	-	-	-	-	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	20,016-	20,997-	21,977-	22,957-	23,938-	15
TOTAL LONG TERM DEBT	34,479,984	16,179,503	17,006,523	21,733,543	26,660,562	16
NOTES AND ACCOUNTS PAYABLE	7,847,031	13,841,191	6,966,155	5,199,783	3,697,580	17
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-	18
CUSTOMERS' DEPOSITS	304,987	320,253	326,806	306,411	247,392	19
TAXES ACCRUED	1,121,738	1,189,219	1,130,142	1,340,098	1,011,523	20
OTHER CURRENT AND ACCRUED LIABILITIES	11,553,571	8,504,625	7,665,775	9,614,464	5,115,307	21
TOTAL CURRENT AND ACCRUED LIABILITIES	20,827,327	23,855,288	16,088,878	16,460,756	10,071,802	22
CUSTOMER ADVANCES FOR CONSTRUCTION	135,488	135,488	50,700	50,700	50,700	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,541,744	3,616,744	3,691,744	3,715,744	3,579,744	24
OTHER DEFERRED CREDITS	3,703,289	3,658,327	4,438,646	4,294,232	2,886,003	25
ACCUMULATED DEFERRED INCOME TAXES						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	6,160,097	5,088,097	4,047,345	2,987,345	1,788,345	27
OTHER	756,235	524,235	914,299	991,299	444,299	28
TOTAL DEFERRED CREDITS	14,296,853	13,022,891	13,142,734	12,039,320	8,749,091	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 118,336,860	$ 98,265,003	$ 86,418,246	$ 81,161,016	$ 72,891,938	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.95	0.56	0.77	0.93	1.39	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	41.4	26.3	29.7	41.2	49.3	33
PREFERRED STOCK	9.2	12.9	14.2	6.4	6.5	34
COMMON STOCK & OTHER PAID-IN CAPITAL	12.4	16.8	14.4	12.3	9.2	35
RETAINED EARNINGS	36.8	43.8	41.4	39.8	34.8	36
LONG-TERM DEBT % OF GROSS WATER PLANT	28.5	15.0	17.8	25.4	34.1	37
ACCUM. PROV. FOR DEPR. & AMORT., % OF WATER PLANT	20.7	22.3	23.6	24.9	26.3	38

Statement of Cash Flows
Jamaica Water Supply Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES	------	------
1	Net Income	$6,044,234	$5,455,282
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	1,989,731	1,730,366
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	3,469,576	(612,292)
4	Deferred Taxes & ITCs	1,229,000	575,688
5	Current Income Taxes & Other Taxes Payable	(84,337)	(11,984)
6	Interest Payable	344,771	(2,614)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(161,480)	(81,462)
9	Other Adjustments	(1,433,553)	(841,772)
10	Total Adjustments	5,353,708	755,930
11	Net Cash From Operating Activities	11,397,942	6,211,212
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(12,471,901)	(12,647,268)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(12,471,901)	(12,647,268)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	11,299,500	6,172,000
24	Common Stock		
25	Preferred Stock	(233,990)	(234,690)
26	Short-term Debt		
27	Dividends Paid	(2,327,667)	(2,237,126)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		2,000,000
29	Other Cash Flows - Financing Activities	(950,678)	14,788
30	Net Cash From Financing Activities	7,787,165	5,714,972
31	Net Incr./(Decr.) In Cash & Cash Equivalents	6,713,206	(721,084)
32	Cash & Cash Equivalents At Beginning Of Year	663,059	1,384,143
33	Cash & Cash Equivalents At End Of Year	$7,376,265	$663,059

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM		1989		1988		1987		1986		1985	LINE NO.
						COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
WATER OPERATING INCOME:											
OPERATING REVENUES	$	51,851,081	$	48,342,159	$	46,249,200	$	41,540,932	$	39,655,467	1
OPERATION AND MAINTENANCE EXPENSE		30,119,145		28,998,972		27,836,048		24,353,466		21,533,238	2
DEPRECIATION		1,964,874		1,705,509		1,580,635		1,479,366		1,282,634	3
AMORTIZATION		24,857		24,857		24,847		54,132		24,910	4
TAXES OTHER THAN INCOME TAXES		8,443,361		7,639,310		7,374,324		6,442,325		8,098,663	5
INCOME TAXES		2,900,000		2,660,000		2,878,000		2,710,000		2,386,000	6
TOTAL OPERATING EXPENSES		43,452,237		41,028,648		39,693,854		35,039,289		33,325,445	7
NET OPERATING REVENUES		8,398,844		7,313,511		6,555,346		6,501,643		6,330,022	8
INC. - LEASED PLANT		-		-		-		-		-	9
TOTAL WATER OPERATING INCOME		8,398,844		7,313,511		6,555,346		6,501,643		6,330,022	10
OTHER INCOME:											11
MERCH., JOBBING, & CONTRACT WORK		-		-		-		-		-	12
INCOME FROM NONUTILITY OPERATIONS		-		-		-		-		-	13
NONOPERATING RENTAL INCOME		-		-		-		-		-	
INTEREST AND DIVIDEND INCOME		307,802		41,631		118,103		291,106		431,898	14
ALLOWANCE FOR CONSTRUCTION FUNDS		302,775		157,027		59,097		58,452		112,013	15
MISCELLANEOUS NONOPERATING INCOME		-		-		-		-		-	16
GAIN ON DISPOSITION OF PROPERTY		15,957		-		-		-		-	17
TOTAL OTHER INCOME		626,534		198,658		177,200		349,558		543,911	18
TOTAL INCOME		9,025,378		7,512,169		6,732,546		6,851,201		6,873,933	19
OTHER INCOME DEDUCTIONS:											
LOSS ON DISPOSITION OF PROPERTY		-		-		-		-		-	20
MISCELLANEOUS AMORTIZATION		41,753		-		-		-		-	21
MISCELLANEOUS DEDUCTIONS		-		-		-		-		-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING		-		-		-		-		-	23
INCOME TAXES-NONOPERATING		40,000		60,000-		28,000-		60,000		149,000	24
TOTAL INCOME DEDUCTIONS		81,753		60,000-		28,000-		60,000		149,000	25
INCOME BEFORE INTEREST CHARGES		8,943,625		7,572,169		6,760,546		6,791,201		6,724,933	26
INTEREST CHARGES:											
INTEREST ON LONG-TERM DEBT		2,296,608		1,785,170		2,086,199		2,839,709		3,077,032	27
AMORT. OF DEBT DISCOUNT EXPENSE		65,687		96,135		62,433		78,792		100,595	28
AMORT. OF PREMIUM ON DEBT-CREDIT		-		-		-		-		-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-		-		-		-		-	30
OTHER INTEREST CHARGES		537,096		235,582		45,628		47,350		34,224	31
TOTAL INTEREST CHARGES		2,899,391		2,116,887		2,194,260		2,965,851		3,211,851	32
EXTRAORDINARY ITEMS - NET		-		-		-		-		-	33
NET INCOME	$	6,044,234	$	5,455,282	$	4,566,286	$	3,825,350	$	3,513,082	34
RETAINED EARNINGS:											
BEGINNING OF YEAR	$	26,933,225	$	23,715,069	$	21,010,454	$	18,861,450	$	16,736,880	35
TRANSFERRED FROM INCOME		6,044,234		5,455,282		4,566,286		3,825,350		3,513,082	36
APPROPRIATIONS		-		-		-		-		-	37
DIVIDENDS DECLARED-PREFERRED STOCK		607,007		635,132		437,675		282,018		296,778	38
-COMMON STOCK		1,720,660		1,601,994		1,423,996		1,394,328		1,091,734	39
ADJUSTMENTS		-		-		-		-		-	40
BALANCE END OF YEAR		30,649,792		26,933,225		23,715,069		21,010,454		18,861,450	41
APPROPRIATED RETAINED EARNINGS		-		-		-		-		-	42
TOTAL END OF YEAR	$	30,649,792	$	26,933,225	$	23,715,069	$	21,010,454		18,861,450	43
						SELECTED INCOME ACCOUNT RELATIONSHIPS					
NET INCOME - % OF OPERATING REVENUES		11.6		11.2		9.8		9.2		8.8	44
PRETAX COVERAGE OF INTEREST EXPENSE		4.1		4.8		4.4		3.2		2.9	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS		31.6		33.2		34.4		39.3		33.9	46
RETURN ON COMMON EQUITY		13.8		13.9		13.8		13.7		14.1	47

JAMAICA WATER SUPPLY COMPANY
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES					
1	METERED SALES TO GENERAL CUSTOMERS	$ 42.101.024	$ 38.177.808	$ 35.527.466	$ 28.560.480	$ 23.085.122
2	UNMETERED SALES TO GENERAL CUSTOMERS	947,253	1,988.520	2,641.156	5,592.162	10,887.459
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	8.429.965	7,765.822	7,653.770	6,770.034	5.013.616
5	TOTAL REVENUES FROM SALES OF WATER	51,478.242	47.932.150	45.822.392	40.922.676	38.986.197
6	OTHER WATER OPERATING REVENUES	372.839	410,009	426.808	618.256	669.270
7	TOTAL WATER OPERATING REVENUES	$ 51.851.081	$ 48.342.159	$ 46.249.200	$ 41.540.932	$ 39.655.467
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	19.974.000	20.437,000	18.790.000	17,524,000	15,057.000
9	UNMETERED SALES TO GENERAL CUSTOMERS	550.000	1,215.000	2.399.000	4.533,000	7.766,000
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	20.524.000	21.652.000	21.189.000	22,057,000	22.823.000
	AVERAGE CUSTOMERS PER MONTH					
13	METERED SALES TO GENERAL CUSTOMERS	115.724	112,564	106.468	93.982	75.930
14	UNMETERED SALES TO GENERAL CUSTOMERS	1.918	5.520	11,308	23,384	39.828
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	858	855	836	808	784
17	TOTAL CUSTOMERS	118,500	118,939	118,612	118,174	117,542
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 363.80	$ 339.16	$ 333.69	$ 303.89	$ 300.07
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	172.60	181.55	176.48	186.46	195.72
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	210.78	186.81	189.08	162.98	153.32
	UNMETERED GENERAL CUSTOMERS					
21	AVG. ANNUAL BILL PER CUSTOMER	$ 493.87	$ 360.23	$ 233.56	$ 239.14	$ 273.36
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	286.75	220.10	212.15	193.85	194.98
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	172.23	163.66	110.09	123.37	140.19
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 679.015	$ 521,037	$ 498.258	$ 494,639	$ 498.185
25	POWER AND PUMPING	5.175.765	5.179.094	5.373.920	5.332.661	5.647.272
26	PURIFICATION	2.331.386	2.192.270	2.181.969	2.065.257	1.734.604
27	TRANSMISSION AND DISTRIBUTION	9.837.641	8.963.968	8.665.839	6.641.970	5.498.201
28	CUSTOMERS ACCT'G & COLLECTING	3.719.852	3.348.454	3.287.986	3.264.173	3.244.575
29	ADMINISTRATIVE & GENERAL	8.375.486	8.794.149	7.828.076	6.554.766	4.910.401
30	TOTAL WATER O & M EXPENSES	$ 30,119,145	$ 28.998.972	$ 27.836.048	$ 24.353.466	$ 21,533,238

JAMAICA WATER SUPPLY COMPANY
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 51,851,081	$ 48,342,159	$ 46,249,200	$ 41,540,932	$ 39,655,467	1
SALES (THOUSAND GALLONS)	20,524,000	21,652,000	21,189,000	22,057,000	22,823,000	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 3,483,966	$ 3,500,660	$ 3,123,276	$ 3,593,822	$ 4,185,585	3
WAGES AND BENEFITS	11,776,216	11,853,593	10,488,235	9,521,489	8,521,320	4
OTHER OPERATION AND MAINTENANCE EXPENSES	14,858,963	13,644,719	14,224,537	11,238,155	8,826,333	5
DEPRECIATION AND MAINTENANCE EXPENSES	1,989,731	1,730,366	1,605,482	1,533,498	1,307,544	6
INCOME TAXES - OPERATING	2,900,000	2,660,000	2,878,000	2,710,000	2,386,000	7
OTHER TAXES - OPERATING	8,443,361	7,639,310	7,374,324	6,442,325	8,098,663	8
INTEREST CHARGES*	2,808,717	2,076,737	2,175,138	2,939,816	3,156,181	9
PREFERRED DIVIDENDS*	583,041	620,847	433,663	279,432	291,401	10
EARNINGS AVAILABLE FOR COMMON EQUITY	5,007,086	4,615,927	3,946,545	3,282,396	2,882,440	11
TOTAL	$ 51,851,081	$ 48,342,159	$ 46,249,200	$ 41,540,932	$ 39,655,467	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	6.7	7.2	6.8	8.7	10.6	13
WAGES AND BENEFITS	22.7	24.5	22.7	22.9	21.5	14
OTHER OPERATION AND MAINTENANCE EXPENSES	28.7	28.2	30.8	27.1	22.3	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.6	3.5	3.7	3.3	16
INCOME TAXES - OPERATING	5.6	5.5	6.2	6.5	6.0	17
OTHER TAXES - OPERATING	16.3	15.8	15.9	15.5	20.4	18
INTEREST CHARGES*	5.4	4.3	4.7	7.1	8.0	19
PREFERRED DIVIDENDS*	1.1	1.3	0.9	0.7	0.7	20
EARNINGS AVAILABLE FOR COMMON EQUITY	9.7	9.5	8.5	7.9	7.3	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	16.98	16.17	14.74	16.29	18.34	23
WAGES AND BENEFITS	57.38	54.75	49.50	43.17	37.34	24
OTHER OPERATION AND MAINTENANCE EXPENSES	72.40	63.02	67.13	50.95	38.67	25
DEPRECIATION AND AMORTIZATION EXPENSES	9.69	7.99	7.58	6.95	5.73	26
INCOME TAXES - OPERATING	14.13	12.29	13.58	12.29	10.45	27
OTHER TAXES - OPERATING	41.14	35.28	34.80	29.21	35.48	28
INTEREST CHARGES*	13.69	9.59	10.27	13.33	13.83	29
PREFERRED DIVIDENDS*	2.84	2.87	2.05	1.27	1.28	30
EARNINGS AVAILABLE FOR COMMON EQUITY	24.40	21.32	18.63	14.88	12.63	31
TOTAL	252.64	223.27	218.27	188.33	173.75	32

*NET OF AFC

LONG ISLAND WATER CORPORATION
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 53,561,262	$ 51,535,845	$ 47,838,681	$ 45,173,345	$ 43,489,008
2	ACCUM. PROV. FOR DEPR. & AMORT	16,055,960	15,288,907	14,545,033	13,835,996	13,226,724
3	NET WATER PLANT	37,505,302	36,246,938	33,293,648	31,337,349	30,262,284
4	OTHER PHYSICAL PROPERTY	63,368	63,368	63,368	63,368	63,368
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	63,368	63,368	63,368	63,368	63,368
8	CASH AND WORKING FUNDS	91,877	77,626	69,388	84,232	131,654
9	SPECIAL DEPOSITS	250	749,716	3,864,694	250	250
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM PROV. FOR UNCOLLECTIBLE ACCOUNTS	2,728,456	2,022,001	2,173,600	2,097,977	2,164,483
12	RECEIVABLES - ASSOCIATED COMPANIES	25,315-	13,485	4,931	14,577	-
13	MATERIALS AND SUPPLIES	669,823	640,353	579,723	538,183	491,685
14	PREPAYMENTS	707,839	486,402	375,829	265,126	249,183
15	OTHER CURRENT AND ACCRUED ASSETS	2,107,691	1,517,522	1,366,076	1,298,403	1,221,447
16	TOTAL CURRENT AND ACCRUED ASSETS	5,280,621	5,507,106	8,434,241	4,298,748	4,258,703
17	UNAMORTIZED DEBT EXPENSE	600,186	642,852	671,548	270,302	298,908
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	64,112	31,945	33,777	23,523	16,772
20	CLEARING ACCOUNTS	55	102	208	25	682
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	406,343	274,430	176,306	292,486	125,765
23	TOTAL DEFERRED DEBITS	1,070,696	949,329	881,839	586,336	442,127
24	TOTAL ASSETS AND OTHER DEBITS	$ 44,919,987	$ 42,766,740	$ 42,673,096	$ 36,285,801	$ 35,026,482
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 52,583,405	$ 46,612,026	$ 45,223,901	$ 43,566,489	$ 42,067,975
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	202,755	4,104,439	1,751,123	698,921	468,820
28	PLANT HELD FOR FUTURE USE	110,933	110,933	110,933	110,933	110,933
29	PLANT ACQUISITION ADJUSTMENTS	664,169	-	752,724	797,002	841,280
30	OTHER PLANT ADJUSTMENTS	-	708,447	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	53,561,262	51,535,845	47,838,681	45,173,345	43,489,008
33	ACCUM. PROV. FOR DEPR. & AMORT.	16,055,960	15,288,907	14,545,033	13,835,996	13,226,724
34	NET WATER UTILITY PLANT	$ 37,505,302	$ 36,246,938	$ 33,293,648	$ 31,337,349	$ 30,262,284
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 46,612,026	$ 45,223,901	$ 43,566,489	$ 42,067,975	$ 41,185,026
36	ADDITIONS	6,215,944	1,530,745	1,793,022	1,714,431	990,851
37	RETIREMENTS	244,565	142,620	135,610	187,485	107,902
38	TRANSFERS AND ADJUSTMENTS	-	-	-	28,432-	-
39	END OF YEAR	$ 52,583,405	$ 46,612,026	$ 45,223,901	$ 43,566,489	$ 42,067,975

Statement of Cash Flows
Long Island Water Corporation
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$1,598,591	$1,900,110
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	918,654	770,355
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(777,710)	(36,609)
4	Deferred Taxes & ITCs	149,408	145,949
5	Current Income Taxes & Other Taxes Payable	158,100	(267,386)
6	Interest Payable	(42,487)	(6,868)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(92,171)	(247,719)
9	Other Adjustments	(337,137)	(139,288)
10	Total Adjustments	(23,343)	218,434
11	Net Cash From Operating Activities	1,575,248	2,118,544
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(2,334,639)	(3,636,343)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.	1,398,121	(316,675)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		28,965
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(936,518)	(3,924,053)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(500,000)	(500,000)
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		58,193
27	Dividends Paid	(867,375)	(982,125)
28	Contributions & Advances - Subsidiary & Assoc. Co's.	(6,569)	122,700
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(1,373,944)	(1,301,232)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(735,214)	(3,106,741)
32	Cash & Cash Equivalents At Beginning Of Year	827,342	3,934,082
33	Cash & Cash Equivalents At End Of Year	$92,128	$827,341

LONG ISLAND WATER CORPORATION
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME:						
OPERATING REVENUES	$ 26,829,738 $	24,863,186 $	23,763,779 $	23,630,022 $	22,395,060	1
OPERATION AND MAINTENANCE EXPENSE	10,126,785	9,238,516	8,791,100	8,545,319	7,903,629	2
DEPRECIATION	831,710	727,771	699,626	672,910	656,527	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	11,297,488	10,091,409	9,895,896	8,861,123	8,599,434	5
INCOME TAXES	735,745	916,709	1,009,649	1,641,535	1,451,978	6
TOTAL OPERATING EXPENSES	22,991,728	20,974,405	20,396,271	19,720,887	18,611,568	7
NET OPERATING REVENUES	3,838,010	3,888,781	3,367,508	3,909,135	3,783,492	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	3,838,010	3,888,781	3,367,508	3,909,135	3,783,492	10
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	5,389	-	3,097-	1,353-	2,144	11
INCOME FROM NONUTILITY OPERATIONS	-	90-	3,019	526-	795	12
NONOPERATING RENTAL INCOME	-	134	-	-	-	13
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	14
ALLOWANCE FOR CONSTRUCTION FUNDS	92,171	247,719	54,087	31,890	1,919	15
MISCELLANEOUS NONOPERATING INCOME	-	-	-	9	-	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	17
TOTAL OTHER INCOME	97,560	247,763	54,009	30,020	4,858	18
TOTAL INCOME	3,935,570	4,136,544	3,421,517	3,939,155	3,788,350	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	44,278	44,278	44,278	44,278	44,278	21
MISCELLANEOUS DEDUCTIONS	18,650	17,798	22,356	19,583	10,657	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	16,845	13,804	14,311	12,523	11,760	23
INCOME TAXES-NONOPERATING	14,959-	14,959-	14,959-	10,864-	17,275	24
TOTAL INCOME DEDUCTIONS	64,814	60,921	65,986	65,520	83,970	25
INCOME BEFORE INTEREST CHARGES	3,870,756	4,075,623	3,355,531	3,873,635	3,704,380	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	2,057,112	2,123,475	1,616,245	1,608,615	1,731,873	27
AMORT. OF DEBT DISCOUNT EXPENSE	42,666	42,584	30,213	28,606	28,812	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	170,324	111,100	153,489	12,927	87,059-	30
OTHER INTEREST CHARGES	2,063	101,646-	17,533-	20,714	14,186	31
TOTAL INTEREST CHARGES	2,272,165	2,175,513	1,782,414	1,670,862	1,687,812	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 1,598,591 $	1,900,110 $	1,573,117 $	2,202,773 $	2,016,568	34
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 5,773,659 $	4,855,673 $	4,635,931 $	4,162,284 $	4,329,336	35
TRANSFERRED FROM INCOME	1,598,590	1,900,111	1,573,117	2,202,772	2,016,568	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	50,625	50,625	50,625	50,625	50,625	38
-COMMON STOCK	816,750	931,500	1,302,750	1,678,500	2,133,000	39
ADJUSTMENTS	-	-	-	-	-	40
BALANCE END OF YEAR	6,504,874	5,773,659	4,855,673	4,635,931	4,162,279	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 6,504,874 $	5,773,659 $	4,855,673 $	4,635,931 $	4,162,279	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	5.9	7.6	6.6	9.3	9.0	44
PRETAX COVERAGE OF INTEREST EXPENSE	2.0	2.3	2.4	3.3	3.1	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	52.7	50.3	85.5	77.9	108.4	46
RETURN ON COMMON EQUITY	9.5	12.0	10.3	14.9	13.8	47

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LONG ISLAND WATER CORPORATION
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES:					
1	METERED SALES TO GENERAL CUSTOMERS	$ 24.973.369	$ 22,929.845	$ 21,924.818	$ 21,757.952	$ 20,547,671
2	UNMETERED SALES TO GENERAL CUSTOMERS	9.083	10,183	8,249	5.105	5.828
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	1,996,167	1,966.459	1.882.403	1.817.842	1,778,254
5	TOTAL REVENUES FROM SALES OF WATER	26,978,619	24,906.487	23.815.470	23.580.899	22,331,753
6	OTHER WATER OPERATING REVENUES	148,881-	43.301-	51.691-	49,123	63,307
7	TOTAL WATER OPERATING REVENUES	$ 26.829.738	$ 24.863.186	$ 23.763.779	$ 23.630.022	$ 22,395,060
	WATER SALES (T GALLONS):					
8	METERED SALES TO GENERAL CUSTOMERS	8.938.451	9.733.540	9,685,410	10.018.449	9,438,764
9	UNMETERED SALES TO GENERAL CUSTOMERS	690	1.993	1,173	1,618	1,717
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	8.939,141	9,735,533	9,686,583	10,020,067	9,440,481
	AVERAGE CUSTOMERS PER MONTH:					
13	METERED SALES TO GENERAL CUSTOMERS	72,956	72,792	72.428	71,543	71,202
14	UNMETERED SALES TO GENERAL CUSTOMERS	6	6	5	7	8
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	587	566	542	526	509
17	TOTAL CUSTOMERS	73,549	73,364	72,975	72,076	71,719
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 342.30	$ 315.00	$ 302.71	$ 304.12	$ 288.58
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	122.51	133.71	133.72	140.03	132.56
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	279.39	235.58	226.37	217.18	217.69
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	$ 1,513.83	$ 1,697.16	$ 1,649.80	$ 729.28	$ 728.50
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	115.00	332.16	234.60	231.14	214.62
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	,316.38	510.94	703.24	315.51	339.43
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 82,106	$ 104.726	$ 96.469	$ 78.563	$ 82,143
25	POWER AND PUMPING	2,198,431	2,162,561	2,118,110	2,013,004	2,117,490
26	PURIFICATION	890.052	889.576	788.239	769.815	680,240
27	TRANSMISSION AND DISTRIBUTION	2,253,713	2,013,666	1,886,209	1,790,692	1,671,803
28	CUSTOMERS ACCT'G & COLLECTING	1,642,975	1,483,768	1,434,520	1,439,380	1,396,334
29	ADMINISTRATIVE & GENERAL	3,059,511	2,584,219	2,467,551	2,453,865	1,955,619
30	TOTAL WATER O & M EXPENSES	$ 10,126,788	$ 9,238,516	$ 8,791,098	$ 8,545,319	$ 7,903,629

LONG ISLAND WATER CORPORATION
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 26,829,738	$ 24,863,186	$ 23,763,779	$ 23,630,022	$ 22,395,060	1
SALES (THOUSAND GALLONS)	8,939,141	9,735,533	9,686,583	10,020,067	9,440,481	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 1,656,714	$ 1,669,153	$ 1,610,438	$ 1,563,792	$ 1,682,401	3
WAGES AND BENEFITS	5,608,696	4,268,828	4,736,888	4,696,245	4,185,211	4
OTHER OPERATION AND MAINTENANCE EXPENSES	2,861,378	3,300,535	2,443,772	2,285,282	2,036,017	5
DEPRECIATION AND MAINTENANCE EXPENSES	831,710	727,771	699,626	672,910	656,527	6
INCOME TAXES - OPERATING	735,745	916,709	1,009,649	1,641,535	1,451,978	7
OTHER TAXES - OPERATING	11,297,488	10,091,409	9,895,896	8,861,123	8,599,434	8
INTEREST CHARGES*	2,212,314	2,038,411	1,755,107	1,657,527	1,686,943	9
PREFERRED DIVIDENDS*	49,152	47,356	49,770	50,205	50,600	10
EARNINGS AVAILABLE FOR COMMON EQUITY	1,576,544	1,803,014	1,562,631	2,201,403	2,045,949	11
TOTAL	$ 26,829,738	$ 24,863,186	$ 23,763,779	$ 23,630,022	$ 22,395,060	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	6.2	6.7	6.8	6.6	7.5	13
WAGES AND BENEFITS	20.9	17.2	19.9	19.9	18.7	14
OTHER OPERATION AND MAINTENANCE EXPENSES	10.7	13.3	10.3	9.7	9.1	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.1	2.9	2.9	2.8	2.9	16
INCOME TAXES - OPERATING	2.7	3.7	4.2	6.9	6.5	17
OTHER TAXES - OPERATING	42.1	40.6	41.6	37.5	38.4	18
INTEREST CHARGES*	8.2	8.2	7.4	7.0	7.5	19
PREFERRED DIVIDENDS*	0.2	0.2	0.2	0.2	0.2	20
EARNINGS AVAILABLE FOR COMMON EQUITY	5.9	7.3	6.6	9.3	9.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	18.53	17.14	16.63	15.61	17.82	23
WAGES AND BENEFITS	62.74	43.85	48.90	46.87	44.33	24
OTHER OPERATION AND MAINTENANCE EXPENSES	32.01	33.90	25.23	22.81	21.57	25
DEPRECIATION AND AMORTIZATION EXPENSES	9.30	7.48	7.22	6.72	6.95	26
INCOME TAXES - OPERATING	8.23	9.42	10.42	16.38	15.38	27
OTHER TAXES - OPERATING	126.38	103.66	102.16	88.43	91.09	28
INTEREST CHARGES*	24.75	20.94	18.12	16.54	17.87	29
PREFERRED DIVIDENDS*	0.55	0.49	0.51	0.50	0.54	30
EARNINGS AVAILABLE FOR COMMON EQUITY	17.64	18.52	16.13	21.97	21.67	31
TOTAL	300.14	255.39	245.33	235.83	237.22	32

*NET OF AFC

NEW ROCHELLE WATER COMPANY, THE
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 36,082,500	$ 34,179,905	$ 31,630,468	$ 30,290,520	$ 28,928,743
2	ACCUM. PROV. FOR DEPR. & AMORT.	8,143,498	7,769,179	7,372,272	7,012,182	6,617,188
3	NET WATER PLANT	27,939,002	26,410,726	24,258,196	23,278,338	22,311,555
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	4,989,143	5,570,672	4,945,940	4,503,508	3,571,693
9	SPECIAL DEPOSITS	550	550	800	800	800
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	1,152,454	1,429,507	1,078,735	535,773	600,821
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	10,925	10,471
13	MATERIALS AND SUPPLIES	162,036	180,073	176,444	151,543	143,968
14	PREPAYMENTS	141,344	150,812	165,029	198,211	127,869
15	OTHER CURRENT AND ACCRUED ASSETS	1,768,170	1,629,029	1,781,755	1,790,927	1,919,871
16	TOTAL CURRENT AND ACCRUED ASSETS	8,213,697	8,960,643	8,148,704	7,191,687	6,375,493
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	3,618	2,824	-	-
20	CLEARING ACCOUNTS	46,374-	30,386	59,007	1,831	575
21	ACCUM. DEFERRED INCOME TAXES	463,861	618,103	262,562	-	-
22	OTHER DEFERRED DEBITS	490,737	577,994	366,534	437,292	436,661
23	TOTAL DEFERRED DEBITS	908,224	1,230,101	690,927	439,123	437,236
24	TOTAL ASSETS AND OTHER DEBITS	$ 37,060,923	$ 36,601,470	$ 33,097,827	$ 30,909,148	$ 29,124,284
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 36,115,198	$ 33,905,037	$ 31,603,413	$ 30,277,678	$ 29,002,146
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	58,148	365,714	117,901	103,688	17,443
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	90,846-	90,846-	90,846-	90,846-	90,846-
32	TOTAL WATER UTILITY PLANT	36,082,500	34,179,905	31,630,468	30,290,520	28,928,743
33	ACCUM. PROV. FOR DEPR. & AMORT.	8,143,498	7,769,179	7,372,272	7,012,182	6,617,188
34	NET WATER UTILITY PLANT	$ 27,939,002	$ 26,410,726	$ 24,258,196	$ 23,278,338	$ 22,311,555
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 33,905,037	$ 31,603,413	$ 30,277,678	$ 29,002,149	$ 27,259,545
36	ADDITIONS	2,546,916	2,456,898	1,490,516	1,387,427	2,177,146
37	RETIREMENTS	255,367	155,274	165,114	105,917	198,432
38	TRANSFERS AND ADJUSTMENTS	81,388-	-	333	5,970-	236,113-
39	END OF YEAR	$ 36,115,198	$ 33,905,037	$ 31,603,413	$ 30,277,689	$ 29,002,146

NEW ROCHELLE WATER COMPANY, THE
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM.	1989	1988	1987	1986	1985	LINE NO
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	1
PREFERRED CAPITAL STOCK	-	-	-	30,600	30,600	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	1,309,092	1,309,092	550,075	283,914	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	9.003,497	9,003,497	9.003,497	9,003,497	9,003,497	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	19.920,216	19,118,899	18.094,734	15,829.001	14,477,857	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	30,282,806	29,481,488	27,698,306	25,197,012	23,561,954	11
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	-	-	-	-	-	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	-	-	-	-	-	16
NOTES AND ACCOUNTS PAYABLE	536,334	553,043	237,246	308,293	697,119	17
PAYABLES TO ASSOCIATED COMPANIES	-	42,796	-	12,834	322,641	18
CUSTOMERS' DEPOSITS	18,300	19,125	21,820	23,702	24,056	19
TAXES ACCRUED	192,639	201,639	165,592	210,259	99,416	20
OTHER CURRENT AND ACCRUED LIABILITIES	1,523,683	1,283,523	733,658	645,274	627,340	21
TOTAL CURRENT AND ACCRUED LIABILITIES	2,270,956	2,100,126	1,158,316	1,200,362	1,770,572	22
CUSTOMER ADVANCES FOR CONSTRUCTION	818,121	1,076,439	1,249,822	1,329,561	763,963	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	799,799	811,352	826,281	840,136	880,739	24
OTHER DEFERRED CREDITS	849,149	893,961	590,298	882	383-	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	1,442,523	1,209,086	1,094,748	861,436	663,069	27
OTHER	185,764	219,345	160,221	196,403	201,014	28
TOTAL DEFERRED CREDITS	4,095,356	4,210,183	3,921,370	3,228,418	2,508,402	29
OPERATING RESERVES	411,805	809,673	319,835	1,283,356	1,283,356	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 37,060,923	$ 36,601,470	$ 33,097,827	$ 30,909,148	$ 29,124,284	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	3.62	4.27	7.03	5.99	3.60	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	-	-	-	-	-	33
PREFERRED STOCK	-	-	-	0.1	0.1	34
COMMON STOCK & OTHER PAID-IN CAPITAL	34.2	35.1	34.6	37.0	38.4	35
RETAINED EARNINGS	65.7	64.8	65.3	62.8	61.4	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	-	-	-	-	-	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	22.5	22.7	23.3	23.1	22.8	38

Statement of Cash Flows
The New Rochelle Water Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES	------	------
1	Net Income	$1,201,320	$1,404,165
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	616,682	552,516
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	295,891	550,734
4	Deferred Taxes & ITCs	342,545	(197,008)
5	Current Income Taxes & Other Taxes Payable	(139,141)	39,481
6	Interest Payable	(30,794)	(111)
7	Equity In Loss (Earnings) Of Affiliates	(21)	
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	(309,246)	600,649
10	Total Adjustments	775,916	1,546,261
11	Net Cash From Operating Activities	1,977,236	2,950,426
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(2,157,962)	(2,704,711)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(2,157,962)	(2,704,711)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt		
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid	(400,003)	(380,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		759,017
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(400,003)	379,017
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(580,729)	624,732
32	Cash & Cash Equivalents At Beginning Of Year	5,570,172	4,945,440
33	Cash & Cash Equivalents At End Of Year	$4,989,443	$5,570,172

NEW ROCHELLE WATER COMPANY, THE
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM		1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
WATER OPERATING INCOME:							
OPERATING REVENUES	$	12,305,790 $	12,691,718 $	12,498,625 $	12,069,653 $	11,267,561	1
OPERATION AND MAINTENANCE EXPENSE		5,316,736	5,276,938	5,055,384	4,678,276	4,385,033	2
DEPRECIATION		616,682	552,516	511,817	502,133	477,101	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		3,483,006	3,488,546	3,395,609	3,085,961	3,018,001	5
INCOME TAXES		566,578	646,299	815,500	1,310,064	1,026,427	6
TOTAL OPERATING EXPENSES		9,983,002	9,964,299	9,778,310	9,576,434	8,906,562	7
NET OPERATING REVENUES		2,322,788	2,727,419	2,720,315	2,493,219	2,360,999	8
INC. - LEASED PLANT		-	-	-	-	-	9
TOTAL WATER OPERATING INCOME		2,322,788	2,727,419	2,720,315	2,493,219	2,360,999	10
OTHER INCOME:							
MERCH., JOBBING, & CONTRACT WORK		7,853	2,314	2,615	15,062	1,063	11
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	12
NONOPERATING RENTAL INCOME		-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME		-	-	-	-	-	14
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	2,473	15
MISCELLANEOUS NONOPERATING INCOME		295,624	2,400	258,245-	264,579	4,440	16
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	17
TOTAL OTHER INCOME		303,477	4,714	255,630-	279,641	7,976	18
TOTAL INCOME		2,626,265	2,732,133	2,464,685	2,772,860	2,368,975	19
OTHER INCOME DEDUCTIONS:							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	21
MISCELLANEOUS DEDUCTIONS		-	50	1,639	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	23
INCOME TAXES-NONOPERATING		15,924-	15,804-	15,332-	15,784-	18,850-	24
TOTAL INCOME DEDUCTIONS		15,924-	15,754-	13,693-	15,784-	18,850-	25
INCOME BEFORE INTEREST CHARGES		2,642,189	2,747,887	2,478,378	2,788,644	2,387,825	26
INTEREST CHARGES:							
INTEREST ON LONG-TERM DEBT		-	-	-	-	-	27
AMORT. OF DEBT DISCOUNT EXPENSE		-	-	-	-	-	28
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES		1,304,363	1,340,416	1,114,952	1,070,872	990,828	30
OTHER INTEREST CHARGES		136,506	3,306	559-	3,518	6,312-	31
TOTAL INTEREST CHARGES		1,440,869	1,343,722	1,114,393	1,074,390	984,516	32
EXTRAORDINARY ITEMS - NET		-	-	-	-	-	33
NET INCOME	$	1,201,320 $	1,404,165 $	1,363,985 $	1,714,254 $	1,403,309	34
RETAINED EARNINGS:							
BEGINNING OF YEAR	$	19,118,899 $	18,094,734 $	15,829,001 $	14,477,857 $	13,074,548	35
TRANSFERRED FROM INCOME		1,201,320	1,404,165	1,363,985	1,714,254	1,403,309	36
APPROPRIATIONS		-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	1,608	77,140	-	38
-COMMON STOCK		400,003	380,000	380,000	286,000	-	39
ADJUSTMENTS		-	-	-	-	-	40
BALANCE END OF YEAR		19,920,216	19,118,899	16,811,378	15,829,001	14,477,857	41
APPROPRIATED RETAINED EARNINGS		-	-	1,283,356	-	-	42
TOTAL END OF YEAR	$	19,920,216 $	19,118,899 $	18,094,734 $	15,829,001 $	14,477,857	43
SELECTED INCOME ACCOUNT RELATIONSHIPS							
NET INCOME - % OF OPERATING REVENUES		9.7	11.0	10.9	14.2	12.4	44
PRETAX COVERAGE OF INTEREST EXPENSE		2.2	2.5	2.9	3.8	3.4	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS		33.2	27.0	27.8	17.4	-	46
RETURN ON COMMON EQUITY		4.0	4.9	5.1	6.7	6.1	47

NEW ROCHELLE WATER COMPANY, THE
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES					
1	METERED SALES TO GENERAL CUSTOMERS	$ 10,983,889	$ 11,311,090	$ 11,141,582	$ 10,741,169	$ 10,037,983
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	101,491	215,290	180,644	163,799	116,094
4	OTHER SALES OF WATER	1,208,670	1,157,863	1,164,298	1,157,245	1,102,047
5	TOTAL REVENUES FROM SALES OF WATER	12,294,050	12,684,243	12,486,524	12,062,213	11,256,124
6	OTHER WATER OPERATING REVENUES	11,740	7,475	12,101	7,440	11,437
7	TOTAL WATER OPERATING REVENUES	$ 12,305,790	$ 12,691,718	$ 12,498,625	$ 12,069,653	$ 11,267,561
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	5,474,127	5,900,884	5,760,450	5,425,505	5,267,319
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	89,201	199,682	165,200	148,902	106,869
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	5,563,328	6,100,566	5,925,650	5,574,407	5,374,188
	AVERAGE CUSTOMERS PER MONTH					
13	METERED SALES TO GENERAL CUSTOMERS	29,387	29,248	29,211	28,942	28,690
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	2	2	2	2	2
16	OTHER SALES OF WATER	483	475	404	402	391
17	TOTAL CUSTOMERS	29,872	29,725	29,617	29,346	29,083
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 373.76	$ 386.73	$ 381.41	$ 371.12	$ 349.87
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	186.27	201.75	197.20	187.46	183.59
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	200.65	191.68	193.42	197.98	190.57
	UNMETERED GENERAL CUSTOMERS					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 916,415	$ 988,490	$ 955,279	$ 928,421	$ 779,657
25	POWER AND PUMPING	803,673	871,131	869,074	847,408	860,433
26	PURIFICATION	158,803	155,025	138,124	124,855	122,165
27	TRANSMISSION AND DISTRIBUTION	1,244,209	1,116,911	1,045,782	939,188	900,710
28	CUSTOMERS ACCT'G & COLLECTING	573,708	578,020	551,912	504,633	499,078
29	ADMINISTRATIVE & GENERAL	1,619,928	1,567,361	1,495,213	1,333,771	1,222,989
30	TOTAL WATER O & M EXPENSES	$ 5,316,736	$ 5,276,938	$ 5,055,384	$ 4,678,276	$ 4,385,032

NEW ROCHELLE WATER COMPANY, THE
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 12,305,790	$ 12,691,718	$ 12,498,625	$ 12,069,653	$ 11,267,561	1
SALES (THOUSAND GALLONS)	5,563,328	6,100,566	5,925,650	5,574,407	5,374,188	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 1,440,556	$ 1,576,438	$ 1,539,274	$ 1,521,379	$ 1,411,695	3
WAGES AND BENEFITS	434,581	449,834	2,086,670	1,841,164	1,741,927	4
OTHER OPERATION AND MAINTENANCE EXPENSES	3,441,599	3,250,666	1,429,440	1,315,733	1,231,410	5
DEPRECIATION AND MAINTENANCE EXPENSES	616,682	552,516	511,817	502,133	477,101	6
INCOME TAXES - OPERATING	566,578	646,299	815,500	1,310,064	1,026,427	7
OTHER TAXES - OPERATING	3,483,006	3,488,546	3,395,609	3,085,961	3,018,001	8
INTEREST CHARGES*	1,440,869	1,343,722	1,114,393	1,074,390	984,516	9
PREFERRED DIVIDENDS*	-	-	1,608	77,110	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	881,919	1,383,697	1,604,314	1,341,719	1,376,483	11
TOTAL	$ 12,305,790	$ 12,691,718	$ 12,498,625	$ 12,069,653	$ 11,267,561	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	11.7	12.4	12.3	12.6	12.5	13
WAGES AND BENEFITS	3.5	3.5	16.7	15.3	15.5	14
OTHER OPERATION AND MAINTENANCE EXPENSES	28.0	25.6	11.4	10.9	10.9	15
DEPRECIATION AND AMORTIZATION EXPENSES	5.0	4.4	4.1	4.2	4.2	16
INCOME TAXES - OPERATING	4.6	5.1	6.5	10.9	9.1	17
OTHER TAXES - OPERATING	28.3	27.5	27.2	25.6	26.8	18
INTEREST CHARGES*	11.7	10.6	8.9	8.9	8.7	19
PREFERRED DIVIDENDS*	-	-	-	0.6	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	7.2	10.9	12.8	11.1	12.2	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	25.89	25.84	25.98	27.29	26.27	23
WAGES AND BENEFITS	7.81	7.37	35.21	33.03	32.41	24
OTHER OPERATION AND MAINTENANCE EXPENSES	61.86	53.28	24.12	23.60	22.91	25
DEPRECIATION AND AMORTIZATION EXPENSES	11.08	9.06	8.64	9.01	8.88	26
INCOME TAXES - OPERATING	10.18	10.59	13.76	23.50	19.10	27
OTHER TAXES - OPERATING	62.61	57.18	57.30	55.36	56.16	28
INTEREST CHARGES*	25.90	22.03	18.81	19.27	18.32	29
PREFERRED DIVIDENDS*	-	-	0.03	1.38	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	15.85	22.68	27.07	24.07	25.61	31
TOTAL	221.19	208.04	210.92	216.52	209.66	32

*NET OF AFC

NEW YORK - AMERICAN WATER COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 14,009,398	$ 12,900,424	$ 11,760,676	$ 10,671,687	$ 10,032,169
2	ACCUM. PROV. FOR DEPR. & AMORT.	3,627,460	3,419,857	3,239,435	3,076,883	2,936,541
3	NET WATER PLANT	10,381,938	9,480,567	8,521,241	7,594,804	7,095,628
4	OTHER PHYSICAL PROPERTY	239,001	239,001	239,001	239,001	239,001
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	239,001	239,001	239,001	239,001	239,001
8	CASH AND WORKING FUNDS	58,713-	100,528-	317,223-	58,274	135,591
9	SPECIAL DEPOSITS	1,190	300	300	300	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	472,933	436,241	479,952	432,738	426,698
12	RECEIVABLES - ASSOCIATED COMPANIES	-	8,842	5,947	6,732	6,732
13	MATERIALS AND SUPPLIES	46,654	74,049	67,682	26,772	17,691
14	PREPAYMENTS	220,048	222,618	195,669	189,488	158,218
15	OTHER CURRENT AND ACCRUED ASSETS	886,612	866,458	702,536	686,418	689,775
16	TOTAL CURRENT AND ACCRUED ASSETS	1,568,724	1,507,980	1,134,863	1,400,722	1,434,705
17	UNAMORTIZED DEBT EXPENSE	18,922	31,559	44,373	57,696	71,369
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	22,406	39,906	1,704	1,704	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	240,339	112,892	95,102	68,306	179,371
23	TOTAL DEFERRED DEBITS	281,667	184,357	141,179	127,706	250,740
24	TOTAL ASSETS AND OTHER DEBITS	$ 12,471,330	$ 11,411,905	$ 10,036,284	$ 9,362,233	$ 9,020,074
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 14,050,245	$ 12,870,575	$ 11,425,313	$ 10,541,582	$ 9,919,530
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	12,677	29,849	313,904	103,281	80,450
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	10,729	16,094	21,459	26,824	32,189
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	14,073,651	12,916,518	11,760,676	10,671,687	10,032,169
33	ACCUM. PROV. FOR DEPR. & AMORT.	3,627,460	3,419,857	3,239,435	3,076,883	2,936,541
34	NET WATER UTILITY PLANT	$ 10,446,191	$ 9,496,661	$ 8,521,241	$ 7,594,804	$ 7,095,628
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 12,870,575	$ 11,425,313	$ 10,541,582	$ 9,919,530	$ 9,560,544
36	ADDITIONS	1,130,797	1,472,035	911,642	646,712	386,751
37	RETIREMENTS	15,380	26,773	27,911	24,660	27,765
38	TRANSFERS AND ADJUSTMENTS	-	-	-	-	-
39	END OF YEAR	$ 13,985,992	$ 12,870,575	$ 11,425,313	$ 10,541,582	$ 9,919,530

NEW YORK - AMERICAN WATER COMPANY, INC.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000	1
PREFERRED CAPITAL STOCK	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	6,646-	7,428-	8,210-	8,992-	9,774-	8
RETAINED EARNINGS	971,877	827,255	888,900	704,294	801,230	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	3,650,231	3,504,827	3,565,690	3,380,302	3,476,456	11
BONDS (LESS BONDS REACQUIRED)	3,472,000	3,472,000	3,580,000	3,634,000	3,772,000	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	-	-	-	-	-	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	3,472,000	3,472,000	3,580,000	3,634,000	3,772,000	16
NOTES AND ACCOUNTS PAYABLE	2,473,851	1,561,717	675,038	2,506	132,381	17
PAYABLES TO ASSOCIATED COMPANIES	428,404	323,066	11,770	302,996	123,361	18
CUSTOMERS' DEPOSITS	-	-	-	-	-	19
TAXES ACCRUED	107,272	255,963	321,720	207,589	42,337	20
OTHER CURRENT AND ACCRUED LIABILITIES	288,923	329,017	446,821	299,072	193,476	21
TOTAL CURRENT AND ACCRUED LIABILITIES	3,298,450	2,469,763	1,455,349	812,163	491,555	22
CUSTOMER ADVANCES FOR CONSTRUCTION	1,221,359	1,158,647	970,849	1,100,993	861,716	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	119,791	121,895	124,012	126,057	128,232	24
OTHER DEFERRED CREDITS	165,564	201,011	21,517	7,911	7,361	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	474,544	437,016	262,261	251,822	196,633	27
OTHER	69,391	46,746	56,606	48,985	86,121	28
TOTAL DEFERRED CREDITS	2,050,649	1,965,315	1,435,245	1,535,768	1,280,063	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 12,471,330	$ 11,411,905	$ 10,036,284	$ 9,362,233	$ 9,020,074	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.48	0.61	0.78	1.72	2.92	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	48.7	49.7	50.1	51.8	52.0	33
PREFERRED STOCK	14.0	14.3	13.9	14.2	13.7	34
COMMON STOCK & OTHER PAID-IN CAPITAL	23.5	24.0	23.4	23.8	23.1	35
RETAINED EARNINGS	13.6	11.8	12.4	10.0	11.0	36
LONG-TERM DEBT % OF GROSS WATER PLANT	24.7	26.9	30.4	34.0	37.5	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	25.8	26.5	27.5	28.8	29.2	38

Statement of Cash Flows
New York-American Water Company, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$446,129	$492,525
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	370,241	250,914
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	3,832	340,424
4	Deferred Taxes & ITCs	36,990	124,972
5	Current Income Taxes & Other Taxes Payable	(129,976)	(40,997)
6	Interest Payable	6,873	6,412
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		(2,240)
9	Other Adjustments	(110,105)	(107,337)
10	Total Adjustments	177,855	572,148
11	Net Cash From Operating Activities	623,984	1,064,673
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(1,242,006)	(1,277,542)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment	(19,042)	(8,064)
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	62,712	187,798
22	Net Cash From Investing Activities	(1,198,336)	(1,097,808)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(57,073)	(54,000)
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt	925,000	858,000
27	Dividends Paid	(250,870)	(554,170)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	617,057	249,830
31	Net Incr./(Decr.) In Cash & Cash Equivalents	42,705	216,695
32	Cash & Cash Equivalents At Beginning Of Year	(100,228)	(316,923)
33	Cash & Cash Equivalents At End Of Year	($57,523)	($100,228)

NEW YORK - AMERICAN WATER COMPANY, INC.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME:						
OPERATING REVENUES	$ 6,355,468	$ 6,458,543	$ 6,156,589	$ 6,053,100	$ 5,636,139	1
OPERATION AND MAINTENANCE EXPENSE	3,425,651	3,331,131	2,982,126	3,172,930	2,913,225	2
DEPRECIATION	238,522	214,334	190,168	172,819	153,565	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,493,459	1,477,868	1,477,025	1,358,284	1,363,262	5
INCOME TAXES	111,207	227,769	353,770	349,368	265,886	6
TOTAL OPERATING EXPENSES	5,268,839	5,251,102	5,003,089	5,053,401	4,695,928	7
NET OPERATING REVENUES	1,086,624	1,207,441	1,153,500	999,699	940,211	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	1,086,624	1,207,441	1,153,500	999,699	940,211	10
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	3,933-	170-	3,981-	411-	322	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	12
NONOPERATING RENTAL INCOME	53,507	44,199	51,937	55,823	54,544	13
INTEREST AND DIVIDEND INCOME	-	-	5,441	15,986	19,231	14
ALLOWANCE FOR CONSTRUCTION FUNDS	275	2,240	606	-	-	15
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	747	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	20	-	17
TOTAL OTHER INCOME	49,849	46,269	54,003	71,418	74,844	18
TOTAL INCOME	1,136,473	1,253,710	1,207,503	1,071,117	1,015,055	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	6,147	6,147	6,147	6,147	6,147	21
MISCELLANEOUS DEDUCTIONS	88	1,564	2,441	200	575	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	62,031	-	-	-	23
INCOME TAXES-NONOPERATING	21,159	107,918	17,960	32,769	33,994	24
TOTAL INCOME DEDUCTIONS	27,394	177,660	26,548	39,116	40,716	25
INCOME BEFORE INTEREST CHARGES	1,109,079	1,076,050	1,180,955	1,032,001	974,339	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	462,069	467,270	472,145	482,015	463,256	27
AMORT. OF DEBT DISCOUNT EXPENSE	12,639	12,813	13,324	13,672	13,993	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	30
OTHER INTEREST CHARGES	188,248	103,442	5,239	74	14,642	31
TOTAL INTEREST CHARGES	662,956	583,525	490,708	495,761	491,891	32
EXTRAORDINARY ITEMS - NET	-	-	-	217,682-	-	33
NET INCOME	$ 446,126	$ 492,525	$ 690,247	$ 318,558	$ 482,448	34
RETAINED EARNINGS						
BEGINNING OF YEAR	$ 827,255	$ 888,900	$ 704,294	$ 801,230	$ 768,482	35
TRANSFERRED FROM INCOME	446,126	492,525	690,247	318,558	482,448	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	125,000	125,000	125,000	125,000	125,000	38
-COMMON STOCK	125,870	429,170	380,641	290,494	324,700	39
ADJUSTMENTS	50,634-	-	-	-	-	40
BALANCE END OF YEAR	971,877	827,255	888,900	704,294	801,230	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 971,877	$ 827,255	$ 888,900	$ 704,294	$ 801,230	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	7.0	7.6	11.2	5.2	8.5	44
PRETAX COVERAGE OF INTEREST EXPENSE	1.9	2.4	3.2	2.9	2.6	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	39.1	116.7	67.3	150.0	90.8	46
RETURN ON COMMON EQUITY	12.4	14.4	22.8	7.9	14.5	47

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NEW YORK - AMERICAN WATER COMPANY, INC.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES:					
1	METERED SALES TO GENERAL CUSTOMERS	$ 5,583,175	$ 5,641,567	$ 5,416,473	$ 5,287,801	$ 4,880,699
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	770,512	815,577	737,920	763,866	753,012
5	TOTAL REVENUES FROM SALES OF WATER	6,353,687	6,457,144	6,154,398	6,051,667	5,633,711
6	OTHER WATER OPERATING REVENUES	1,781	1,399	2,191	1,433	2,428
7	TOTAL WATER OPERATING REVENUES	$ 6,355,468	$ 6,458,543	$ 6,156,589	$ 6,053,100	$ 5,636,139
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	1,679,473	1,731,514	1,636,081	1,654,576	1,504,829
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	94,063	118,991	85,539	103,475	104,604
12	TOTAL SALES OF WATER	1,773,536	1,850,505	1,721,620	1,758,051	1,609,433
	AVERAGE CUSTOMERS PER MONTH:					
13	METERED SALES TO GENERAL CUSTOMERS	10,819	10,754	10,858	10,597	10,567
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	300	300	297	275	274
17	TOTAL CUSTOMERS	11,119	11,054	11,155	10,872	10,841
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 516.05	$ 524.60	$ 498.84	$ 498.99	$ 461.88
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	155.23	161.01	150.67	156.13	142.40
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	332.44	325.82	331.06	319.59	324.34
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 1,764,025	$ 1,737,805	$ 1,554,622	$ 1,524,883	$ 1,357,428
25	POWER AND PUMPING	29,185	28,772	28,468	36,113	18,909
26	PURIFICATION	16,911	13,928	9,144	7,100	11,751
27	TRANSMISSION AND DISTRIBUTION	520,214	578,200	492,261	578,320	527,777
28	CUSTOMERS ACCT'G & COLLECTING	278,615	282,747	276,484	235,241	219,046
29	ADMINISTRATIVE & GENERAL	816,691	689,679	621,147	791,273	778,314
30	TOTAL WATER O & M EXPENSES	$ 3,425,641	$ 3,331,131	$ 2,982,126	$ 3,172,930	$ 2,913,225

NEW YORK - AMERICAN WATER COMPANY, INC.
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 6,355,468	$ 6,458,543	$ 6,156,589	$ 6,053,100	$ 5,636,139	1
SALES (THOUSAND GALLONS)	1,773,536	1,850,505	1,721,620	1,758,051	1,609,433	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 1,783,304	$ 1,760,977	$ 1,576,522	$ 1,547,952	$ 1,373,880	3
WAGES AND BENEFITS	786,263	74,944	788,649	824,230	850,412	4
OTHER OPERATION AND MAINTENANCE EXPENSES	856,074	1,495,210	616,955	800,748	688,933	5
DEPRECIATION AND MAINTENANCE EXPENSES	238,522	214,334	190,168	172,819	153,555	6
INCOME TAXES - OPERATING	111,207	227,769	353,770	349,368	265,886	7
OTHER TAXES - OPERATING	1,493,459	1,477,868	1,477,025	1,358,284	1,363,262	8
INTEREST CHARGES*	662,813	582,566	490,708	495,761	491,891	9
PREFERRED DIVIDENDS*	124,961	124,743	125,000	125,000	125,000	10
EARNINGS AVAILABLE FOR COMMON EQUITY	298,850	500,132	537,792	378,938	323,320	11
TOTAL	$ 6,355,468	$ 6,458,543	$ 6,156,589	$ 6,053,100	$ 5,636,139	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	28.1	27.3	25.6	25.6	24.4	13
WAGES AND BENEFITS	12.4	1.2	12.8	13.6	15.1	14
OTHER OPERATION AND MAINTENANCE EXPENSES	13.5	23.2	10.0	13.2	12.2	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.3	3.1	2.9	2.7	16
INCOME TAXES - OPERATING	1.7	3.5	5.7	5.8	4.7	17
OTHER TAXES - OPERATING	23.5	22.9	24.0	22.4	24.2	18
INTEREST CHARGES*	10.4	9.0	8.0	8.2	8.7	19
PREFERRED DIVIDENDS*	2.0	1.9	2.0	2.1	2.2	20
EARNINGS AVAILABLE FOR COMMON EQUITY	4.7	7.7	8.7	6.3	5.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	100.55	95.16	91.57	88.05	85.36	23
WAGES AND BENEFITS	44.33	4.05	45.81	46.88	52.84	24
OTHER OPERATION AND MAINTENANCE EXPENSES	48.27	80.80	35.84	45.55	42.81	25
DEPRECIATION AND AMORTIZATION EXPENSES	13.45	11.58	11.05	9.83	9.54	26
INCOME TAXES - OPERATING	6.27	12.31	20.55	19.87	16.52	27
OTHER TAXES - OPERATING	84.21	79.86	85.79	77.26	84.70	28
INTEREST CHARGES*	37.37	31.48	28.50	28.20	30.56	29
PREFERRED DIVIDENDS*	7.05	6.74	7.26	7.11	7.77	30
EARNINGS AVAILABLE FOR COMMON EQUITY	16.85	27.03	31.24	21.55	20.09	31
TOTAL	358.35	349.02	357.60	344.31	350.19	32

*NET OF AFC

NEW YORK WATER SERVICE CORP.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 37,154,954	$ 35,247,410	$ 32,075,543	$ 28,635,592	$ 25,774,484
2	ACCUM. PROV. FOR DEPR. & AMORT.	8,864,401	8,141,996	7,579,208	6,987,405	6,608,207
3	NET WATER PLANT	28,290,553	27,105,414	24,496,335	21,648,187	19,166,277
4	OTHER PHYSICAL PROPERTY	2,877	2,917	2,958	2,998	3,035
5	INVESTMENTS IN ASSOCIATED COMPANIES	21,316,735	21,315,735	21,315,735	20,586,565	21,003,597
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	21,319,612	21,318,652	21,318,693	20,589,563	21,006,632
8	CASH AND WORKING FUNDS	70,257	165,940	244,025	304,513	207,168
9	SPECIAL DEPOSITS	250	6,340	16,340	16,340	250
10	TEMPORARY CASH INVESTMENTS	1,674,250	500,000	9,700,000	3,475,000	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	1,783,731	622,256	1,292,991	1,152,005	1,322,773
12	RECEIVABLES - ASSOCIATED COMPANIES	3,345,381	5,371,200	2,666,615	3,254,764	2,569,425
13	MATERIALS AND SUPPLIES	339,163	359,727	300,688	275,662	228,270
14	PREPAYMENTS	164,522	266,620	429,423	415,251	208,531
15	OTHER CURRENT AND ACCRUED ASSETS	625,002	630,547	593,344	523,742	177,435
16	TOTAL CURRENT AND ACCRUED ASSETS	8,002,556	7,922,630	15,243,426	9,417,277	4,713,852
17	UNAMORTIZED DEBT EXPENSE	154,408	156,069	169,868	29,889	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	7,023	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	79,291	68,232	15,008	113,241	197,789
23	TOTAL DEFERRED DEBITS	233,699	231,324	184,876	143,130	197,789
24	TOTAL ASSETS AND OTHER DEBITS	$ 57,846,420	$ 56,578,020	$ 61,243,330	$ 51,798,157	$ 45,084,550
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 36,655,832	$ 34,900,189	$ 30,025,064	$ 27,146,188	$ 25,061,911
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	446,409	290,115	1,988,982	1,423,515	642,291
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	52,713	57,106	61,497	65,889	70,282
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	37,154,954	35,247,410	32,075,543	28,635,592	25,774,484
33	ACCUM. PROV. FOR DEPR. & AMORT.	8,864,401	8,141,996	7,579,208	6,987,405	6,608,207
34	NET WATER UTILITY PLANT	$ 28,290,553	$ 27,105,414	$ 24,496,335	$ 21,648,187	$ 19,166,277
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 34,900,189	$ 30,025,064	$ 27,146,188	$ 25,061,911	$ 23,514,245
36	ADDITIONS	1,874,157	5,005,206	2,926,247	2,314,430	1,985,673
37	RETIREMENTS	83,600	128,153	11,511	174,759	225,470
38	TRANSFERS AND ADJUSTMENTS	34,914-	1,928-	35,860-	55,394-	212,537-
39	END OF YEAR	$ 36,655,832	$ 34,900,189	$ 30,025,064	$ 27,146,188	$ 25,061,911

NEW YORK WATER SERVICE CORP.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470	1
PREFERRED CAPITAL STOCK	-	-	-	-	-	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	2,012,224	2,012,224	2,012,224	2,012,224	2,012,224	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	27,367-	27,367-	27,367-	27,367-	27,367-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	31,976,474	31,387,033	30,145,923	28,938,732	26,549,543	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	37,635,801	37,046,360	35,805,250	34,598,059	32,208,870	11
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	5,050,000	5,050,000	13
OTHER LONG TERM DEBT	8,000,000	8,000,000	8,000,000	-	-	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	8,000,000	8,000,000	8,000,000	5,050,000	5,050,000	16
NOTES AND ACCOUNTS PAYABLE	356,045	471,611	326,217	645,880	170,099	17
PAYABLES TO ASSOCIATED COMPANIES	6,997,093	5,941,093	13,114,125	7,665,781	4,059,199	18
CUSTOMERS' DEPOSITS	154,595	192,816	252,214	333,078	346,748	19
TAXES ACCRUED	2,372,648	2,472,899	2,188,876	2,083,102	1,685,826	20
OTHER CURRENT AND ACCRUED LIABILITIES	249,314	586,234	496,191	500,997	650,751	21
TOTAL CURRENT AND ACCRUED LIABILITIES	10,129,695	9,664,653	16,377,623	11,228,838	6,912,623	22
CUSTOMER ADVANCES FOR CONSTRUCTION	474,386	492,657	462,344	399,653	368,961	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-	24
OTHER DEFERRED CREDITS	412,160	425,209	389,963	311,779	381,159	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	996,664	764,512	-	-	-	27
OTHER	-	-	83,283	85,495	30,215	28
TOTAL DEFERRED CREDITS	1,883,210	1,682,378	935,590	796,927	780,335	29
OPERATING RESERVES	197,714	184,629	124,867	124,333	132,722	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 57,846,420	$ 56,578,020	$ 61,243,330	$ 51,798,157	$ 45,084,550	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.79	0.82	0.93	0.84	0.68	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	17.5	17.7	18.2	12.7	13.5	33
PREFERRED STOCK	-	-	-	-	-	34
COMMON STOCK & OTHER PAID-IN CAPITAL	12.4	12.5	12.9	14.2	15.1	35
RETAINED EARNINGS	70.0	69.6	68.8	72.9	71.2	36
LONG-TERM DEBT % OF GROSS WATER PLANT	21.5	22.6	24.9	17.6	19.5	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	23.8	23.0	23.6	24.4	25.6	38

Statement of Cash Flows
New York Water Service
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$589,441	$1,241,110
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	810,438	695,373
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(591,844)	(168,187)
4	Deferred Taxes & ITCs	232,152	681,229
5	Current Income Taxes & Other Taxes Payable	(139,293)	299,337
6	Interest Payable	5,115	20,402
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(4,829)	(94,716)
9	Other Adjustments	104,439	122,808
10	Total Adjustments	416,178	1,556,246
11	Net Cash From Operating Activities	1,005,619	2,797,356
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(2,025,622)	(3,211,623)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities	(15,680)	(15,517)
15	Investments In & Advances To Subsidiary & Assoc. Co's.	1,025,819	(1,704,585)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	17,341	29,316
22	Net Cash From Investing Activities	(998,142)	(4,902,409)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt		
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid		
28	Contributions & Advances - Subsidiary & Assoc. Co's.	1,055,000	(7,173,032)
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	1,055,000	(7,173,032)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	1,062,477	(9,278,085)
32	Cash & Cash Equivalents At Beginning Of Year	682,280	9,960,365
33	Cash & Cash Equivalents At End Of Year	$1,744,757	$682,280

NEW YORK WATER SERVICE CORP.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME:						
OPERATING REVENUES	$ 14,751,128	$ 14,537,579	$ 13,070,616	$ 13,410,922	$ 11,036,203	1
OPERATION AND MAINTENANCE EXPENSE	7,332,053	7,119,141	6,514,491	5,861,782	5,119,747	2
DEPRECIATION	803,951	682,363	603,531	545,794	496,907	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	4,891,678	4,218,477	4,025,610	3,764,761	3,119,985	5
INCOME TAXES	240,225	518,901	-	-	-	6
TOTAL OPERATING EXPENSES	13,267,907	12,538,882	11,143,632	10,172,337	8,736,639	7
NET OPERATING REVENUES	1,483,221	1,998,697	1,926,984	3,238,585	2,299,564	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	1,483,221	1,998,697	1,926,984	3,238,585	2,299,564	10
OTHER INCOME						
MERCH., JOBBING, & CONTRACT WORK	3,652	3,183	13,087-	38,113	18,780-	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	484,223-	810,804-	12
NONOPERATING RENTAL INCOME	-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME	93,838	211,450	37,765	45,736	211,506-	14
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	192,150	81,861	84,458	15
MISCELLANEOUS NONOPERATING INCOME	-	-	324	362,434	1,459,109	16
GAIN ON DISPOSITION OF PROPERTY	-	157	27	2,835	190	17
TOTAL OTHER INCOME	97,490	214,790	217,179	46,756	502,667	18
TOTAL INCOME	1,580,711	2,213,487	2,144,163	3,285,341	2,802,231	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	4,392	4,392	4,392	4,392	4,392	21
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	23
INCOME TAXES-NONOPERATING	32,555	133,069	420,392	321,288	160,644	24
TOTAL INCOME DEDUCTIONS	36,947	137,461	424,784	325,680	165,036	25
INCOME BEFORE INTEREST CHARGES	1,543,764	2,076,026	1,719,379	2,959,661	2,637,195	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	921,667	798,944	28,778	-	-	27
AMORT. OF DEBT DISCOUNT EXPENSE	17,341	17,221	-	-	21,557	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	480,199	547,244	727,512	30
OTHER INTEREST CHARGES	15,315	18,751	3,211	30,728	36,246	31
TOTAL INTEREST CHARGES	954,323	834,916	512,188	577,972	785,315	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 589,441	$ 1,241,110	$ 1,207,191	$ 2,381,689	$ 1,851,880	34
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 31,387,033	$ 30,145,923	$ 28,938,732	$ 26,549,543	$ 24,697,663	35
TRANSFERRED FROM INCOME	589,441	1,241,110	1,207,191	2,381,689	1,851,880	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	38
-COMMON STOCK	-	-	-	-	-	39
ADJUSTMENTS	-	-	-	7,500	-	40
BALANCE END OF YEAR	31,976,474	31,387,033	30,145,923	28,938,732	26,549,543	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 31,976,474	$ 31,387,033	$ 30,145,923	$ 28,938,732	$ 26,549,543	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	3.9	8.5	9.2	17.7	16.7	44
PRETAX COVERAGE OF INTEREST EXPENSE	1.9	3.3	4.2	5.7	3.6	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	-	-	-	-	-	46
RETURN ON COMMON EQUITY	1.5	3.4	3.4	7.1	5.9	47

NEW YORK WATER SERVICE CORP.
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES					
1	METERED SALES TO GENERAL CUSTOMERS	$ 13,506,093	$ 13,409,610	$ 12,050,989	$ 12,216,593	$ 10,131,010
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	1,241,123	1,122,892	1,012,777	1,192,259	901,698
5	TOTAL REVENUES FROM SALES OF WATER	14,747,216	14,532,502	13,063,766	13,408,852	11,032,708
6	OTHER WATER OPERATING REVENUES	3,912	5,077	6,850	2,070	3,495
7	TOTAL WATER OPERATING REVENUES	$ 14,751,128	$ 14,537,579	$ 13,070,616	$ 13,410,922	$ 11,036,203
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	4,556,889	4,801,504	5,022,882	5,157,617	4,680,877
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	4,556,889	4,801,504	5,022,882	5,157,617	4,680,877
	AVERAGE CUSTOMERS PER MONTH					
13	METERED SALES TO GENERAL CUSTOMERS	43,692	43,594	43,551	43,466	43,432
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	156	150	135	135	136
17	TOTAL CUSTOMERS	43,848	43,744	43,686	43,601	43,568
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 309.12	$ 307.60	$ 276.70	$ 281.06	$ 233.26
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	104.29	110.14	115.33	118.65	107.77
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	296.39	279.28	239.92	236.87	216.43
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 53,810	$ 30,856	$ 31,529	$ 19,552	$ 30,974
25	POWER AND PUMPING	1,763,107	1,626,734	1,566,551	1,426,128	1,346,131
26	PURIFICATION	588,561	560,094	524,101	393,888	369,063
27	TRANSMISSION AND DISTRIBUTION	1,416,718	1,451,550	1,104,757	1,047,536	808,373
28	CUSTOMERS ACCT'G & COLLECTING	984,862	896,340	927,310	895,507	726,344
29	ADMINISTRATIVE & GENERAL	2,524,995	2,553,567	2,360,243	2,079,171	1,838,862
30	TOTAL WATER O & M EXPENSES	$ 7,332,053	$ 7,119,141	$ 6,514,491	$ 5,861,782	$ 5,119,747

NEW YORK WATER SERVICE CORP.
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 14,751,128	$ 14,537,579	$ 13,070,616	$ 13,410,922	$ 11,036,203	1
SALES (THOUSAND GALLONS)	4,556,889	4,801,504	5,022,882	5,157,617	4,680,877	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 950,083	$ 974,033	$ 912,787	$ 876,285	$ 891,175	3
WAGES AND BENEFITS	3,520,899	2,849,090	2,592,603	1,808,147	1,860,970	4
OTHER OPERATION AND MAINTENANCE EXPENSES	2,861,071	3,296,018	3,009,101	3,177,350	2,367,602	5
DEPRECIATION AND MAINTENANCE EXPENSES	803,951	682,363	603,531	545,794	496,907	6
INCOME TAXES - OPERATING	240,225	518,901	-	-	-	7
OTHER TAXES - OPERATING	4,891,678	4,218,477	4,025,610	3,764,761	3,119,985	8
INTEREST CHARGES*	954,323	834,916	508,357	577,972	785,315	9
PREFERRED DIVIDENDS*	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	528,898	1,163,781	1,418,627	2,660,613	1,514,249	11
TOTAL	$ 14,751,128	$ 14,537,579	$ 13,070,616	$ 13,410,922	$ 11,036,203	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	6.4	6.7	7.0	6.5	8.1	13
WAGES AND BENEFITS	23.9	19.6	19.8	13.5	16.9	14
OTHER OPERATION AND MAINTENANCE EXPENSES	19.4	22.7	23.0	23.7	21.5	15
DEPRECIATION AND AMORTIZATION EXPENSES	5.5	4.7	4.6	4.1	4.5	16
INCOME TAXES - OPERATING	1.6	3.6	-	-	-	17
OTHER TAXES - OPERATING	33.2	29.0	30.8	28.1	28.3	18
INTEREST CHARGES*	6.5	5.7	3.9	4.3	7.1	19
PREFERRED DIVIDENDS*	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	3.6	8.0	10.9	19.8	13.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	20.85	20.29	18.17	16.99	19.04	23
WAGES AND BENEFITS	77.27	59.34	51.62	35.06	39.76	24
OTHER OPERATION AND MAINTENANCE EXPENSES	62.79	68.65	59.91	61.61	50.58	25
DEPRECIATION AND AMORTIZATION EXPENSES	17.64	14.21	12.02	10.58	10.62	26
INCOME TAXES - OPERATING	5.27	10.81	-	-	-	27
OTHER TAXES - OPERATING	107.35	87.86	80.15	72.99	66.65	28
INTEREST CHARGES*	20.94	17.39	10.12	11.21	16.78	29
PREFERRED DIVIDENDS*	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	11.61	24.24	28.24	51.59	32.35	31
TOTAL	323.71	302.77	260.22	260.02	235.77	32

*NET OF AFC

OWEGO WATER WORKS
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,166,821	$ 2,079,533	$ 1,996,704	$ 1,903,214	$ 1,492,728
2	ACCUM. PROV. FOR DEPR. & AMORT.	585,203	553,563	530,348	494,716	530,018
3	NET WATER PLANT	1,581,618	1,525,970	1,466,356	1,408,498	962,710
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	209,787	209,787	209,787	209,787	209,787
6	OTHER INVESTMENTS AND FUNDS	48,622	44,479	31,013	21,707	9,132
7	TOTAL INVESTMENT AND FUND ACCOUNTS	258,409	254,266	240,800	231,494	218,919
8	CASH AND WORKING FUNDS	17,608	10,968	16,970	30,603	6,900
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	81,172	93,867	70,035	13,793	68,389
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	1,639	1,334
13	MATERIALS AND SUPPLIES	28,872	24,640	23,473	18,529	20,210
14	PREPAYMENTS	57,294	56,455	50,905	44,557	38,332
15	OTHER CURRENT AND ACCRUED ASSETS	85,635	81,906	96,030	92,003	81,400
16	TOTAL CURRENT AND ACCRUED ASSETS	270,581	267,836	257,413	201,124	216,565
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	514-	239	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	3,905	2,860	1,410	-	-
22	OTHER DEFERRED DEBITS	70,276	59,595	10,120	19,938	100
23	TOTAL DEFERRED DEBITS	74,181	62,455	11,016	20,177	100
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,184,789	$ 2,110,527	$ 1,975,585	$ 1,861,293	$ 1,398,294
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 2,174,558	$ 2,090,926	$ 2,008,097	$ 1,914,607	$ 1,497,944
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	3,656	-	-	-	6,177
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	11,393-	11,393-	11,393-	11,393-	11,393-
32	TOTAL WATER UTILITY PLANT	2,166,821	2,079,533	1,996,704	1,903,214	1,492,728
33	ACCUM. PROV. FOR DEPR. & AMORT.	585,203	553,563	530,348	494,716	530,018
34	NET WATER UTILITY PLANT	$ 1,581,618	$ 1,525,970	$ 1,466,356	$ 1,408,498	$ 962,710
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 2,090,926	$ 2,008,097	$ 1,914,607	$ 1,497,944	$ 1,384,682
36	ADDITIONS	106,819	99,368	103,867	480,790	128,786
37	RETIREMENTS	23,187	16,539	10,377	64,127	15,524
38	TRANSFERS AND ADJUSTMENTS	-	-	-	-	-
39	END OF YEAR	$ 2,174,558	$ 2,090,926	$ 2,008,097	$ 1,914,607	$ 1,497,944

OWEGO WATER WORKS
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 33,600	1
PREFERRED CAPITAL STOCK	-	-	-	-	-	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	885,690	870,690	870,690	817,690	532,690	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	1,065,549	1,020,513	917,5:2	823,667	729,739	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	1,984,839	1,924,803	1,821,802	1,674,957	1,296,029	11
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	-	-	-	-	-	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	-	-	-	-	-	16
NOTES AND ACCOUNTS PAYABLE	3,748	-	-	29,908	11,909	17
PAYABLES TO ASSOCIATED COMPANIES	-	47,398	14,835	53,189	8,251	18
CUSTOMERS' DEPOSITS	244	6,184	5,829	5,189	4,436	19
TAXES ACCRUED	5,359	27,715-	7,003	2,421-	4,488	20
OTHER CURRENT AND ACCRUED LIABILITIES	15,451	15,741	18,956	21,401	20,943	21
TOTAL CURRENT AND ACCRUED LIABILITIES	24,802	41,608	46,623	107,266	50,027	22
CUSTOMER ADVANCES FOR CONSTRUCTION	7,462	-	-	-	-	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	29,459	30,099	30,867	31,598	32,359	24
OTHER DEFERRED CREDITS	-	-	3,525	251	-	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	102,441	85,419	68,107	47,221	19,879	27
OTHER	24,929	20,815	4,661	-	-	28
TOTAL DEFERRED CREDITS	164,291	136,333	107,160	79,070	52,238	29
OPERATING RESERVES	10,857	7,783	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 2,184,789	$ 2,110,527	$ 1,975,585	$ 1,861,293	$ 1,398,294	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	10.91	6.44	5.52	1.88	4.33	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	-	-	-	-	-	33
PREFERRED STOCK	-	-	-	-	-	34
COMMON STOCK & OTHER PAID-IN CAPITAL	46.3	46.9	49.6	50.8	43.6	35
RETAINED EARNINGS	53.6	53.0	50.3	49.1	56.3	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	-	-	-	-	-	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	27.0	26.6	26.5	25.9	35.5	38

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Statement of Cash Flows
Owego Waterworks
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$43,892	$89,535
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	45,892	45,097
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(34,557)	5,422
4	Deferred Taxes & ITCs	19,451	31,248
5	Current Income Taxes & Other Taxes Payable	32,154	(35,791)
6	Interest Payable		
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	(1,718)	(42,145)
10	Total Adjustments	61,222	3,831
11	Net Cash From Operating Activities	105,114	93,366
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(110,475)	(99,368)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.	(4,143)	(13,466)
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities	1,144	13,466
22	Net Cash From Investing Activities	(113,474)	(99,368)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt		
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt	15,000	
27	Dividends Paid		
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	15,000	
31	Net Incr./(Decr.) In Cash & Cash Equivalents	6,640	(6,002)
32	Cash & Cash Equivalents At Beginning Of Year	10,768	16,770
33	Cash & Cash Equivalents At End Of Year	$17,408	$10,768

OWEGO WATER WORKS
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME:						
OPERATING REVENUES	$ 707,460 $	770,656 $	739,963 $	677,464 $	671,000	1
OPERATION AND MAINTENANCE EXPENSE	342,612	345,546	342,793	315,856	315,013	2
DEPRECIATION	45,892	45,097	39,238	33,751	29,044	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	182,794	171,456	149,363	135,794	124,258	5
INCOME TAXES	20,824	43,345	61,753	57,495	71,896	6
TOTAL OPERATING EXPENSES	592,122	605,444	593,147	542,896	540,211	7
NET OPERATING REVENUES	115,338	165,212	146,816	134,568	130,789	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	115,338	165,212	146,816	134,568	130,789	10
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	739	599	259	23	-	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	12
NONOPERATING RENTAL INCOME	-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	14
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	15
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	500	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	17
TOTAL OTHER INCOME	739	599	259	23	500	18
TOTAL INCOME	116,077	165,811	147,075	134,591	131,289	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	21
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	23
INCOME TAXES-NONOPERATING	704-	768-	731-	761-	677-	24
TOTAL INCOME DEDUCTIONS	704-	768-	731-	761-	677-	25
INCOME BEFORE INTEREST CHARGES	116,781	166,579	147,806	135,352	131,966	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	27
AMORT. OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	72,417	76,584	62,637	53,777	44,830	30
OTHER INTEREST CHARGES	472	459	630	223	566	31
TOTAL INTEREST CHARGES	72,889	77,043	63,267	54,000	45,396	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 43,892 $	89,536 $	84,539 $	81,352 $	86,571	34
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 1,020,513 $	917,512 $	823,667 $	729,739 $	638,822	35
TRANSFERRED FROM INCOME	43,892	89,536	84,539	81,353	86,571	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	38
-COMMON STOCK	-	-	-	-	-	39
ADJUSTMENTS	1,144	13,465	9,306	12,575	4,346	40
BALANCE END OF YEAR	1,065,549	1,020,513	917,512	823,667	729,739	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 1,065,549 $	1,020,513 $	917,512 $	823,667 $	729,739	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	6.2	11.6	11.4	12.0	12.9	44
PRETAX COVERAGE OF INTEREST EXPENSE	1.9	2.7	3.3	3.6	4.5	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	-	-	-	-	-	46
RETURN ON COMMON EQUITY	2.2	4.7	4.8	5.4	6.9	47

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OWEGO WATER WORKS
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES:					
1	METERED SALES TO GENERAL CUSTOMERS	$ 615.225	$ 675.716	$ 649.808	$ 613 210	$ 606.968
2	UNMETERED SALES TO GENERAL CUSTOMERS	159	378	245	-	-
3	SALES TO OTHER WATER COMPANIES	25.502	26.453	22.695	19.175	20.039
4	OTHER SALES OF WATER	65.054	66.742	65.745	42.689	42.197
5	TOTAL REVENUES FROM SALES OF WATER	705.940	769.289	738.493	675.074	669.204
6	OTHER WATER OPERATING REVENUES	1.520	1.367	1,470	2.390	1.796
7	TOTAL WATER OPERATING REVENUES	$ 707.460	$ 770.656	$ 739.963	$ 677.464	$ 671.000
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	339.043	440.351	397.023	428.437	456.000
9	UNMETERED SALES TO GENERAL CUSTOMERS	48	226	63	-	-
10	SALES TO OTHER WATER COMPANIES	33.692	35.533	30.352	27.453	28.675
11	OTHER SALES OF WATER	9.608	11,498	10.229	-	-
12	TOTAL SALES OF WATER	382.391	487.608	437.667	455.890	484.675
	AVERAGE CUSTOMERS PER MONTH:					
13	METERED SALES TO GENERAL CUSTOMERS	1,438	1,423	1,439	1,449	1.436
14	UNMETERED SALES TO GENERAL CUSTOMERS	2	1	3	-	-
15	SALES TO OTHER WATER COMPANIES	2	2	2	2	2
16	OTHER SALES OF WATER	49	47	32	22	21
17	TOTAL CUSTOMERS	1,491	1,473	1,476	1,473	1.459
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 427.83	$ 474.65	$ 451.56	$ 423.19	$ 422.67
19	AVG. CONSUMPTION PER CUSTOMER (T GAL)	235.77	309.45	275.90	295.67	317.54
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	181.46	153.45	163.67	143.13	133.11
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	$ 79.50	$ 378.00	$ 81.66	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T GAL)	24.00	226.00	21.00	-	-
23	AVG. REVENUE PER T GALLONS SOLD(CENTS)	331.25	167.26	388.89	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 4.127	$ 5.857	$ 4.054	$ 13.905	$ 14.030
25	POWER AND PUMPING	83.489	100.569	92.275	89.307	94.045
26	PURIFICATION	10.084	6.339	7.294	6.535	6.219
27	TRANSMISSION AND DISTRIBUTION	41.320	31.045	29.117	40.572	37.654
28	CUSTOMERS ACCT'G & COLLECTING	36.643	30.283	26.481	22.325	22.202
29	ADMINISTRATIVE & GENERAL	166.949	171.453	183.572	143.212	140.863
30	TOTAL WATER O & M EXPENSES	$ 342.612	$ 345.546	$ 342.793	$ 315.856	$ 315.013

OWEGO WATER WORKS
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 707,460	$ 770,656	$ 739,963	$ 677,464	$ 671,000	1
SALES (THOUSAND GALLONS)	382,391	487,608	437,667	455,890	484,675	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 68,917	$ 79,888	$ 76,396	$ 77,841	$ 79,546	3
WAGES AND BENEFITS	151,689	106,732	135,072	97,662	127,057	4
OTHER OPERATION AND MAINTENANCE EXPENSES	122,006	158,926	131,325	140,353	108,410	5
DEPRECIATION AND MAINTENANCE EXPENSES	45,892	45,097	39,238	33,751	29,044	6
INCOME TAXES - OPERATING	20,824	43,345	61,753	57,495	71,896	7
OTHER TAXES - OPERATING	182,794	171,456	149,363	135,794	124,258	8
INTEREST CHARGES*	72,889	77,043	63,267	54,000	45,395	9
PREFERRED DIVIDENDS*	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	42,449	88,169	83,549	80,568	85,394	11
TOTAL	$ 707,460	$ 770,656	$ 739,963	$ 677,464	$ 671,000	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	9.7	10.4	10.3	11.5	11.9	13
WAGES AND BENEFITS	21.4	13.8	18.3	14.4	18.9	14
OTHER OPERATION AND MAINTENANCE EXPENSES	17.2	20.6	17.7	20.7	16.2	15
DEPRECIATION AND AMORTIZATION EXPENSES	6.5	5.9	5.3	5.0	4.3	16
INCOME TAXES - OPERATING	2.9	5.6	8.3	8.5	10.7	17
OTHER TAXES - OPERATING	25.8	22.2	20.2	20.0	18.5	18
INTEREST CHARGES*	10.3	10.0	8.6	8.0	6.8	19
PREFERRED DIVIDENDS*	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	6.0	11.4	11.3	11.9	12.7	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	18.02	16.38	17.46	17.07	16.41	23
WAGES AND BENEFITS	39.67	21.89	30.86	21.42	26.21	24
OTHER OPERATION AND MAINTENANCE EXPENSES	31.91	32.59	30.01	30.79	22.37	25
DEPRECIATION AND AMORTIZATION EXPENSES	12.00	9.25	8.97	7.40	5.99	26
INCOME TAXES - OPERATING	5.45	8.89	14.11	12.61	14.83	27
OTHER TAXES - OPERATING	47.80	35.16	34.13	29.79	25.64	28
INTEREST CHARGES*	19.06	15.80	14.46	11.84	9.37	29
PREFERRED DIVIDENDS*	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	11.10	18.08	19.09	17.67	17.62	31
TOTAL	185.01	158.05	169.07	148.60	138.44	32

*NET OF AFC

SEA CLIFF WATER COMPANY
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 3,848,955	$ 3,369,145	$ 3,295,708	$ 2,626,044	$ 2,450,181
2	ACCUM. PROV. FOR DEPR. & AMORT.	920,318	952,272	1,060,259	1,017,132	975,321
3	NET WATER PLANT	2,928,637	2,416,873	2,235,449	1,608,912	1,474,860
4	OTHER PHYSICAL PROPERTY	176	176	176	176	176
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	176	176	176	176	176
8	CASH AND WORKING FUNDS	24,832	22,671	59,863	658,648	229,923
9	SPECIAL DEPOSITS	100	100	100	100	100
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM PROV. FOR UNCOLLECTIBLE ACCOUNTS	290,888	291,748	252,091	186,280	182,415
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	31,574	48,107	52,345	24,937	29,634
14	PREPAYMENTS	48,909	18,966	24,547	39,002	31,729
15	OTHER CURRENT AND ACCRUED ASSETS	125,190	121,570	103,672	94,430	74,225
16	TOTAL CURRENT AND ACCRUED ASSETS	521,493	503,162	492,618	1,003,397	548,026
17	UNAMORTIZED DEBT EXPENSE	23,542	8,019	10,533	13,276	16,240
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUM. DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	103,613	131,527	106,994	56,073	13,390
23	TOTAL DEFERRED DEBITS	127,155	139,546	117,527	69,349	29,630
24	TOTAL ASSETS AND OTHER DEBITS	$ 3,577,461	$ 3,059,757	$ 2,845,770	$ 2,681,834	$ 2,052,692
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 3,640,155	$ 3,157,091	$ 2,998,182	$ 2,570,075	$ 2,412,371
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	208,800	212,054	297,526	55,969	37,810
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	3,848,955	3,369,145	3,295,708	2,626,044	2,450,181
33	ACCUM. PROV. FOR DEPR. & AMORT.	920,318	952,272	1,060,259	1,017,132	975,321
34	NET WATER UTILITY PLANT	$ 2,928,637	$ 2,416,873	$ 2,235,449	$ 1,608,912	$ 1,474,860
	PLANT IN SERVICE					
35	BEGINNING OF YEAR	$ 3,157,091	$ 2,998,182	$ 2,570,075	$ 2,412,371	$ 2,212,585
36	ADDITIONS	525,230	286,194	428,297	158,106	200,810
37	RETIREMENTS	42,166	127,285	189	402	1,024
38	TRANSFERS AND ADJUSTMENTS	-	-	-	-	-
39	END OF YEAR	$ 3,640,155	$ 3,157,091	$ 2,998,182	$ 2,570,075	$ 2,412,371

SEA CLIFF WATER COMPANY
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 24,950	$ 24,950	$ 24,950	$ 24,950	$ 24,950	1
PREFERRED CAPITAL STOCK	-	-	-	-	-	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	319,496	319,496	319,496	319,496	319,496	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	998,209	887,856	792,473	702,674	618,289	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	1,342,655	1,232,302	1,136,919	1,047,120	962,735	11
BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	925,000	532,000	587,000	638,000	696,000	14
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	925,000	532,000	587,000	638,000	696,000	16
NOTES AND ACCOUNTS PAYABLE	282,659	366,114	152,411	103,118	40,785	17
PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	10,320	18
CUSTOMERS' DEPOSITS	11,465	11,465	9,930	8,990	7,000	19
TAXES ACCRUED	80,464	23,145	101,879	54,433	69,074	20
OTHER CURRENT AND ACCRUED LIABILITIES	78,852	67,365	70,165	58,399	41,867	21
TOTAL CURRENT AND ACCRUED LIABILITIES	453,440	468,089	334,385	224,940	169,046	22
CUSTOMER ADVANCES FOR CONSTRUCTION	546,482	541,482	541,482	541,482	101,659	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	58,768	59,768	60,768	61,768	62,648	24
OTHER DEFERRED CREDITS	62,429	62,429	62,429	62,429	2,862	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	125,929	94,929	72,487	53,445	34,830	27
OTHER	62,758	68,758	50,300	52,650	22,912	28
TOTAL DEFERRED CREDITS	856,366	827,366	787,466	771,774	224,911	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 3,577,461	$ 3,059,757	$ 2,845,770	$ 2,681,834	$ 2,052,692	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	1.15	1.07	1.47	4.46	3.24	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	40.7	30.1	34.0	37.8	41.9	33
PREFERRED STOCK	-	-	-	-	-	34
COMMON STOCK & OTHER PAID-IN CAPITAL	15.1	19.5	19.9	20.4	20.7	35
RETAINED EARNINGS	44.0	50.3	45.9	41.6	37.2	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	24.0	15.7	17.8	24.2	28.4	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	23.9	28.2	32.1	38.7	39.8	38

Statement of Cash Flows
Sea Cliff Water Company
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$170,353	$155,383
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	50,886	50,608
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	26,047	(23,257)
4	Deferred Taxes & ITCs	24,000	39,900
5	Current Income Taxes & Other Taxes Payable	57,319	(78,734)
6	Interest Payable	8,267	796
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(7,594)	
9	Other Adjustments	2,043	(32,299)
10	Total Adjustments	160,968	(42,986)
11	Net Cash From Operating Activities	331,321	112,397
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(444,447)	(234,589)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(444,447)	(234,589)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	193,000	145,000
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt		
27	Dividends Paid	(60,000)	(60,000)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	(17,713)	
30	Net Cash From Financing Activities	115,287	85,000
31	Net Incr./(Decr.) In Cash & Cash Equivalents	2,161	(37,192)
32	Cash & Cash Equivalents At Beginning Of Year	22,771	59,963
33	Cash & Cash Equivalents At End Of Year	$24,932	$22,771

SEA CLIFF WATER COMPANY
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME:						
OPERATING REVENUES	$ 1,408,018	$ 1,323,429	$ 1,216,246	$ 1,236,811	$ 1,131,991	1
OPERATION AND MAINTENANCE EXPENSE	582,798	595,808	534,869	549,594	447,206	2
DEPRECIATION	50,706	50,427	44,127	41,602	37,209	3
AMORTIZATION	180	181	180	181	181	4
TAXES OTHER THAN INCOME TAXES	426,233	394,578	376,001	342,159	344,192	5
INCOME TAXES	81,800	67,400	74,000	84,600	89,200	6
TOTAL OPERATING EXPENSES	1,141,717	1,108,394	1,029,177	1,018,136	917,988	7
NET OPERATING REVENUES	266,301	215,035	187,069	218,675	214,003	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	266,301	215,035	187,069	218,675	214,003	10
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	-	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	12
NONOPERATING RENTAL INCOME	-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME	33	425	25,188	10,456	12,527	14
ALLOWANCE FOR CONSTRUCTION FUNDS	11,683	-	-	-	-	15
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	17
TOTAL OTHER INCOME	11,716	425	25,188	10,456	12,527	18
TOTAL INCOME	278,017	215,460	212,257	229,131	226,530	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	21
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	392	470	23
INCOME TAXES-NONOPERATING	1,000-	800-	9,000	3,500	4,000	24
TOTAL INCOME DEDUCTIONS	1,000-	800-	9,000	3,892	4,470	25
INCOME BEFORE INTEREST CHARGES	279,017	216,260	203,257	225,239	222,060	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	100,609	56,465	54,176	82,285	85,811	27
AMORT. OF DEBT DISCOUNT EXPENSE	7,189	2,514	2,743	2,964	2,448	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	30
OTHER INTEREST CHARGES	866	1,898	1,539	605	581	31
TOTAL INTEREST CHARGES	108,664	60,877	58,458	85,854	88,840	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 170,353	$ 155,383	$ 144,799	$ 139,385	$ 133,220	34
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 887,856	$ 792,473	$ 702,674	$ 618,289	$ 540,069	35
TRANSFERRED FROM INCOME	170,353	155,383	144,799	139,385	133,220	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	38
-COMMON STOCK	60,000	60,000	55,000	55,000	55,000	39
ADJUSTMENTS	-	-	-	-	-	40
BALANCE END OF YEAR	998,209	887,856	792,473	702,674	618,289	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 998,209	$ 887,856	$ 792,473	$ 702,674	$ 618,289	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	12.0	11.7	11.9	11.2	11.7	44
PRETAX COVERAGE OF INTEREST EXPENSE	3.3	4.6	4.9	3.6	3.5	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	35.2	38.6	37.9	39.4	41.2	46
RETURN ON COMMON EQUITY	13.2	13.1	13.2	13.8	14.4	47

SEA CLIFF WATER COMPANY
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES:					
1	METERED SALES TO GENERAL CUSTOMERS	$ 1,206,776	$ 1,142,585	$ 1,043,355	$ 1,071,128	$ 966,042
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	194,689	173,773	164,922	157,862	159,798
5	TOTAL REVENUES FROM SALES OF WATER	1,401,465	1,316,358	1,208,277	1,228,990	1,125,840
6	OTHER WATER OPERATING REVENUES	6,553	7,071	7,969	7,821	6,151
7	TOTAL WATER OPERATING REVENUES	$ 1,408,018	$ 1,323,429	$ 1,216,246	$ 1,236,811	$ 1,131,991
	WATER SALES (T.GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	357,627	399,830	396,537	406,804	375,686
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	-	-	-	-	-
12	TOTAL SALES OF WATER	357,627	399,830	396,537	406,804	375,686
	AVERAGE CUSTOMERS PER MONTH:					
13	METERED SALES TO GENERAL CUSTOMERS	4,230	4,130	4,085	4,088	4,081
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	36	36	380	381	380
17	TOTAL CUSTOMERS	4,266	4,166	4,465	4,469	4,461
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 285.28	$ 276.65	$ 255.41	$ 262.01	$ 236.71
19	AVG. CONSUMPTION PER CUSTOMER (T GAL)	84.54	96.81	97.07	99.51	92.05
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	337.44	285.77	263.12	263.30	257.14
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	$ 11,576	$ 11,105	$ 13,134	$ 10,224	$ 9,896
25	POWER AND PUMPING	134,752	121,403	125,053	125,798	124,648
26	PURIFICATION	69,843	57,629	43,244	52,427	33,990
27	TRANSMISSION AND DISTRIBUTION	79,164	90,092	60,264	83,699	51,490
28	CUSTOMERS ACCT'G & COLLECTING	112,337	120,235	116,788	111,058	102,985
29	ADMINISTRATIVE & GENERAL	175,126	195,344	176,386	166,388	124,197
30	TOTAL WATER O & M EXPENSES	$ 582,798	$ 595,808	$ 534,869	$ 549,594	$ 447,206

SEA CLIFF WATER COMPANY
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 1,408,018	$ 1,323,429	$ 1,216,246	$ 1,236,811	$ 1,131,991	1
SALES (THOUSAND GALLONS)	357,627	399,830	396,537	406,804	375,686	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 131,594	$ 103,810	$ 102,473	$ 99,526	$ 97,392	3
WAGES AND BENEFITS	154,790	138,359	140,799	141,260	127,344	4
OTHER OPERATION AND MAINTENANCE EXPENSES	296,414	353,639	291,597	308,808	222,470	5
DEPRECIATION AND MAINTENANCE EXPENSES	50,886	50,608	44,307	41,783	37,390	6
INCOME TAXES - OPERATING	81,800	67,400	74,000	84,600	89,200	7
OTHER TAXES - OPERATING	426,233	394,578	376,001	342,159	344,192	8
INTEREST CHARGES*	104,112	60,877	58,458	85,854	88,840	9
PREFERRED DIVIDENDS*	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	162,189	154,158	128,611	132,821	125,163	11
TOTAL	$ 1,408,018	$ 1,323,429	$ 1,216,246	$ 1,236,811	$ 1,131,991	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	9.3	7.8	8.4	8.0	8.6	13
WAGES AND BENEFITS	11.0	10.5	11.6	11.4	11.2	14
OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	26.7	24.0	25.0	19.7	15
DEPRECIATION AND AMORTIZATION EXPENSES	3.6	3.8	3.6	3.4	3.3	16
INCOME TAXES - OPERATING	5.8	5.1	6.1	6.8	7.9	17
OTHER TAXES - OPERATING	30.3	29.8	30.9	27.7	30.4	18
INTEREST CHARGES*	7.4	4.6	4.8	6.9	7.8	19
PREFERRED DIVIDENDS*	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	11.5	11.6	10.6	10.7	11.1	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	36.80	25.96	25.84	24.47	25.92	23
WAGES AND BENEFITS	43.28	34.60	35.51	34.72	33.90	24
OTHER OPERATION AND MAINTENANCE EXPENSES	82.88	88.45	73.54	75.91	59.22	25
DEPRECIATION AND AMORTIZATION EXPENSES	14.23	12.66	11.17	10.27	9.95	25
INCOME TAXES - OPERATING	22.87	16.86	18.66	20.80	23.74	27
OTHER TAXES - OPERATING	119.18	98.69	94.82	84.11	91.62	28
INTEREST CHARGES*	29.11	15.23	14.74	21.10	23.65	29
PREFERRED DIVIDENDS*	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	45.35	38.56	32.43	32.65	33.32	31
TOTAL	393.71	331.00	306.72	304.03	301.31	32

*NET OF AFC

SHOREWOOD WATER CORP.
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 10,872,857	$ 9,485,124	$ 7,755,901	$ 5,657,795	$ 4,836,664
2	ACCUM. PROV. FOR DEPR. & AMORT.	1,140,456	1,005,261	886,335	783,781	699,538
3	NET WATER PLANT	9,732,401	8,479,863	6,869,566	4,874,013	4,137,126
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	66,349	47,419	14,097	126,255	1,007
9	SPECIAL DEPOSITS	164,628	25,082	280,536	-	-
10	TEMPORARY CASH INVESTMENTS	70,236	820,848	1,507,563	-	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM. PROV. FOR UNCOLLECTIBLE ACCOUNTS	97,602	137,085	87,850	89,074	255,719
12	RECEIVABLES - ASSOCIATED COMPANIES	-	-	57,020	-	-
13	MATERIALS AND SUPPLIES	27,735	22,190	22,190	14,190	7,813
14	PREPAYMENTS	2,260	-	-	1,555	1,084
15	OTHER CURRENT AND ACCRUED ASSETS	-	-	20,000	200	200
16	TOTAL CURRENT AND ACCRUED ASSETS	428,810	1,052,624	1,989,256	231,276	265,825
17	UNAMORTIZED DEBT EXPENSE	153,642	162,237	161,500	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	13,307-	-	1,443
21	ACCUM. DEFERRED INCOME TAXES	75,056	631,405	314,747-	-	-
22	OTHER DEFERRED DEBITS	-	-	13,142	-	-
23	TOTAL DEFERRED DEBITS	228,698	793,642	153,412-	-	1,443
24	TOTAL ASSETS AND OTHER DEBITS	$ 10,389,909	$ 10,326,129	$ 8,705,410	$ 5,105,290	$ 4,404,394
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 10,124,377	$ 9,222,773	$ 7,712,309	$ 5,597,944	$ 4,833,740
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	748,479	262,351	43,592	59,850	2,923
28	PLANT HELD FOR FUTURE USE	-	-	-	-	-
29	PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	-	-	-	-	-
32	TOTAL WATER UTILITY PLANT	10,872,856	9,485,124	7,755,901	5,657,795	4,836,664
33	ACCUM. PROV. FOR DEPR. & AMORT.	1,140,455	1,005,261	886,335	783,781	699,538
34	NET WATER UTILITY PLANT	$ 9,732,401	$ 8,479,863	$ 6,869,566	$ 4,874,013	$ 4,137,126
	PLANT IN SERVICE:					
35	BEGINNING OF YEAR	$ 9,222,773	$ 7,712,309	$ 5,597,946	$ 4,833,740	$ 3,987,396
36	ADDITIONS	933,949	1,640,531	2,114,363	1,417,915	846,343
37	RETIREMENTS	-	-	-	648,973	-
38	TRANSFERS AND ADJUSTMENTS	32,345-	130,067-	-	4,737-	-
39	END OF YEAR	$ 10,124,377	$ 9,222,773	$ 7,712,309	$ 5,597,944	$ 4,833,740

SHOREWOOD WATER CORP.
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	1
PREFERRED CAPITAL STOCK	-	-	-	-	-	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	-	-	-	-	-	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	-	-	-	-	-	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	651,624	718,746	212,792	469,551	256,778	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	663,624	730,746	224,792	481,551	268,778	11
BONDS (LESS BONDS REACQUIRED)	1,825,000	1,865,000	1,900,000	-	-	12
ADVANCES FROM ASSOCIATED COMPANIES	422,167	412,196	392,852	380,443	369,426	13
OTHER LONG TERM DEBT	289,958	365,669	165,669	58,500	106,782	14
NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	2,537,125	2,642,865	2,458,521	438,943	476,209	16
NOTES AND ACCOUNTS PAYABLE	210,522	113,713	223,819	114,003	335,155	17
PAYABLES TO ASSOCIATED COMPANIES	20,233	60,236	-	-	-	18
CUSTOMERS' DEPOSITS	-	-	-	-	-	19
TAXES ACCRUED	135,303	47,392-	420,449	27,994	26,306	20
OTHER CURRENT AND ACCRUED LIABILITIES	297,215	443,167	171,339	116,942	107,576	21
TOTAL CURRENT AND ACCRUED LIABILITIES	663,273	569,724	815,607	258,941	469,039	22
CUSTOMER ADVANCES FOR CONSTRUCTION	6,078,404	5,337,336	4,421,580	3,893,531	3,162,216	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	260,229	264,549	302,100	-	-	24
OTHER DEFERRED CREDITS	-	133,148	482,810	32,323	28,150	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	-	-	-	-	-	26
LIBERALIZED DEPRECIATION	187,254	97,705	-	-	-	27
OTHER	-	550,056	-	-	-	28
TOTAL DEFERRED CREDITS	6,525,887	6,382,794	5,206,490	3,925,854	3,190,366	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 10,389,909	$ 10,326,129	$ 8,705,410	$ 5,105,290	$ 4,404,394	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.65	1.85	2.44	0.89	0.57	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	79.2	78.3	91.6	47.6	63.9	33
PREFERRED STOCK	-	-	-	-	-	34
COMMON STOCK & OTHER PAID-IN CAPITAL	0.3	0.3	0.4	1.3	1.6	35
RETAINED EARNINGS	20.3	21.3	7.9	51.0	34.4	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	23.3	27.8	31.6	7.7	9.8	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	10.4	10.5	11.4	13.8	14.4	38

Statement of Cash Flows
Shorewood Water Corp.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	($70,869)	$216,806
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	143,790	118,926
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	(216,280)	(245,415)
4	Deferred Taxes & ITCs	89,549	97,705
5	Current Income Taxes & Other Taxes Payable	178,809	(463,302)
6	Interest Payable	(450)	27,167
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds		
9	Other Adjustments	5,720	(144,664)
10	Total Adjustments	201,138	(609,583)
11	Net Cash From Operating Activities	130,269	(392,777)
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(646,665)	(773,467)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		(737)
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(646,665)	(774,204)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	(105,740)	184,344
24	Common Stock		
25	Preferred Stock		
26	Short-term Debt	30,000	73,790
27	Dividends Paid		
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities		
30	Net Cash From Financing Activities	(75,740)	258,134
31	Net Incr./(Decr.) In Cash & Cash Equivalents	(592,136)	(908,847)
32	Cash & Cash Equivalents At Beginning Of Year	893,349	1,802,196
33	Cash & Cash Equivalents At End Of Year	$301,213	$893,349

SHOREWOOD WATER CORP.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM		1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
WATER OPERATING INCOME:							
OPERATING REVENUES	$	1,200,885 $	1,209,172 $	984,408 $	708,339 $	553,652	1
OPERATION AND MAINTENANCE EXPENSE		791,259	649,183	490,947	391,456	389,649	2
DEPRECIATION		135,195	120,551	102,554	84,243	73,110	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		164,192	138,590	117,495	89,825	88,129	5
INCOME TAXES		-	116,323	104,413	-	-	6
TOTAL OPERATING EXPENSES		1,090,646	1,024,647	815,409	565,525	550,890	7
NET OPERATING REVENUES		110,239	184,525	168,999	142,814	2,762	8
INC. - LEASED PLANT		-	-	-	421	-	9
TOTAL WATER OPERATING INCOME		110,239	184,525	168,999	143,235	2,762	10
OTHER INCOME:							
MERCH., JOBBING, & CONTRACT WORK		36,674	142,693	33,786	68,831	96,313	11
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	12
NONOPERATING RENTAL INCOME		-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME		62,830	115,172	9,816	2,852	384	14
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	7,663	-	15
MISCELLANEOUS NONOPERATING INCOME		204,761	567,396	3,097	-	1,965	16
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	17
TOTAL OTHER INCOME		304,265	825,261	46,699	79,348	98,663	18
TOTAL INCOME		414,504	1,009,786	215,698	222,583	101,425	19
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION		4,320-	4,320-	-	-	-	21
MISCELLANEOUS DEDUCTIONS		-	-	-	-	-	22
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	23
INCOME TAXES-NONOPERATING		255,567	579,906	3,452	-	-	24
TOTAL INCOME DEDUCTIONS		251,247	575,586	3,452	-	-	25
INCOME BEFORE INTEREST CHARGES		163,257	434,200	212,246	222,583	101,425	26
INTEREST CHARGES:							
INTEREST ON LONG-TERM DEBT		215,561	189,455	-	11,470	14,143	27
AMORT. OF DEBT DISCOUNT EXPENSE		8,595	8,595	1,016	-	-	28
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	19,344	12,409	11,016	9,835	30
OTHER INTEREST CHARGES		9,970	-	9,193	7,162	13,769	31
TOTAL INTEREST CHARGES		234,126	217,394	22,618	29,648	37,749	32
EXTRAORDINARY ITEMS - NET		-	-	-	19,837	-	33
NET INCOME	$	70,869-$	216,806 $	189,628 $	212,772 $	63,677	34
RETAINED EARNINGS:							
BEGINNING OF YEAR	$	718,746 $	212,792 $	469,551 $	256,778 $	193,101	35
TRANSFERRED FROM INCOME		70,869-	216,806	189,628	212,772	63,677	36
APPROPRIATIONS		-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	38
-COMMON STOCK		10,286	-	-	-	-	39
ADJUSTMENTS		14,033	289,148	446,388-	-	-	40
BALANCE END OF YEAR		651,624	718,746	212,792	469,551	256,778	41
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	42
TOTAL END OF YEAR	$	651,624 $	718,746 $	212,792 $	469,551 $	256,778	43
SELECTED INCOME ACCOUNT RELATIONSHIPS							
NET INCOME - % OF OPERATING REVENUES		5.8-	17.9	19.2	30.0	11.5	44
PRETAX COVERAGE OF INTEREST EXPENSE		1.8	5.2	14.2	7.5	2.7	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS		-	-	-	-	-	46
RETURN ON COMMON EQUITY		-	45.3	53.6	56.7	26.8	47

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SHOREWOOD WATER CORP
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

LINE NO	ITEM	1989	1988	1987	1986	1985
	WATER OPERATING REVENUES					
	REVENUES:					
1	METERED SALES TO GENERAL CUSTOMERS	$ 803.022	$ 849.119	$ 861.310	$ 611.493	$ 486.589
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
4	OTHER SALES OF WATER	174,673	127.518	112.528	92.820	64,438
5	TOTAL REVENUES FROM SALES OF WATER	977.695	976.637	973.838	704.314	551,029
6	OTHER WATER OPERATING REVENUES	223.190	232.535	10.570	4,025	2.623
7	TOTAL WATER OPERATING REVENUES	$ 1,200.885	$ 1.209.172	$ 984.408	$ 708.339	$ 553.652
	WATER SALES (T GALLONS):					
8	METERED SALES TO GENERAL CUSTOMERS	509.062	410.555	423.861	553.196	438,470
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
11	OTHER SALES OF WATER	67.290	66.741	126.137	56.929	61.126
12	TOTAL SALES OF WATER	576.352	477.296	549.998	610.125	499.596
	AVERAGE CUSTOMERS PER MONTH:					
13	METERED SALES TO GENERAL CUSTOMERS	5.084	4.883	4.477	4.197	4,100
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	-	-	-	-	-
16	OTHER SALES OF WATER	116	117	87	76	60
17	TOTAL CUSTOMERS	5.200	5.000	4.564	4,273	4,160
	WATER OPERATING REVENUE RELATIONSHIPS					
	METERED GENERAL CUSTOMERS:					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 157.95	$ 173.89	$ 192.38	$ 145.69	$ 118.68
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	100.13	84.07	94.67	131.80	106.94
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	157.75	206.82	203.21	110.54	110.97
	UNMETERED GENERAL CUSTOMERS:					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-
	WATER OPERATION AND MAINTENANCE EXPENSES					
24	SOURCE OF SUPPLY	-	-	-	$ 157	$ 23
25	POWER AND PUMPING	133.884	120.935	114.510	92.387	115,163
26	PURIFICATION	26.630	21.614	6.472	6.701	7,500
27	TRANSMISSION AND DISTRIBUTION	128.153	110.784	71.154	45.523	59.497
28	CUSTOMERS ACCT'G & COLLECTING	37.733	30.130	27.473	16.516	16.779
29	ADMINISTRATIVE & GENERAL	464.859	365.720	271.338	230.171	190.687
30	TOTAL WATER O & M EXPENSES	$ 791.259	$ 649.183	$ 490.947	$ 391.456	$ 389.649

SHOREWOOD WATER CORP.
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 1,200,885	$ 1,209,172	$ 984,408	$ 708,339	$ 553,652	1
SALES (THOUSAND GALLONS)	576,352	477,296	549,998	610,125	499,596	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 107,489	$ 92,495	$ 88,033	$ 74,500	$ 93,515	3
WAGES AND BENEFITS	426,871	249,073	191,287	17,980	197,079	4
OTHER OPERATION AND MAINTENANCE EXPENSES	256,899	307,615	211,627	298,555	99,055	5
DEPRECIATION AND MAINTENANCE EXPENSES	135,195	120,551	102,554	84,243	73,110	6
INCOME TAXES - OPERATING	-	116,323	104,413	-	-	7
OTHER TAXES - OPERATING	164,192	138,590	117,495	89,825	88,129	8
INTEREST CHARGES*	234,126	217,394	22,618	28,945	35,784	9
PREFERRED DIVIDENDS*	-	-	-	-	-	10
EARNINGS AVAILABLE FOR COMMON EQUITY	123,887-	32,869-	146,381	114,290	33,022-	11
TOTAL	$ 1,200,885	$ 1,209,172	$ 984,408	$ 708,339	$ 553,652	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	3.0	7.6	8.9	10.5	16.9	13
WAGES AND BENEFITS	35.5	20.6	19.4	2.5	35.6	14
OTHER OPERATION AND MAINTENANCE EXPENSES	21.4	25.4	21.5	42.1	17.9	15
DEPRECIATION AND AMORTIZATION EXPENSES	11.3	10.0	10.4	11.9	13.2	16
INCOME TAXES - OPERATING	-	9.6	10.6	-	-	17
OTHER TAXES - OPERATING	13.7	11.5	11.9	12.7	15.9	18
INTEREST CHARGES*	19.5	18.0	2.3	4.1	6.5	15
PREFERRED DIVIDENDS*	-	-	-	-	-	20
EARNINGS AVAILABLE FOR COMMON EQUITY	10.2-	2.6-	14.9	16.1	5.9-	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	18.65	19.38	16.01	12.21	18.72	23
WAGES AND BENEFITS	74.06	52.18	34.78	2.95	39.45	24
OTHER OPERATION AND MAINTENANCE EXPENSES	44.57	64.45	38.48	48.93	19.83	25
DEPRECIATION AND AMORTIZATION EXPENSES	23.46	25.26	18.65	13.81	14.63	26
INCOME TAXES - OPERATING	-	24.37	18.98	-	-	27
OTHER TAXES - OPERATING	28.49	29.04	21.36	14.72	17.64	28
INTEREST CHARGES*	40.62	45.55	4.11	4.74	7.16	29
PREFERRED DIVIDENDS*	-	-	-	-	-	30
EARNINGS AVAILABLE FOR COMMON EQUITY	21.49-	6.88-	26.61	18.73	6.60-	31
TOTAL	208.36	253.34	178.98	116.10	110.82	32

*NET OF AFC

SPRING VALLEY WATER COMPANY, INCORPORATED
COMPARATIVE BALANCE SHEETS AND STATEMENTS OF UTILITY PLANT
FOR THE YEARS ENDED DECEMBER 31

LINE NO.	ITEM	1989	1988	1987	1986	1985
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 121,620,594	$ 114,065,532	$ 106,324,970	$ 100,685,713	$ 96,256,425
2	ACCUM. PROV. FOR DEPR. & AMORT	22,284,525	20,833,895	19,520,458	18,257,860	17,047,688
3	NET WATER PLANT	99,336,069	93,231,637	86,804,512	82,427,853	79,208,737
4	OTHER PHYSICAL PROPERTY	662	662	662	662	662
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	662	662	662	662	662
8	CASH AND WORKING FUNDS	852,241	732,884	761,908	634,861	790,434
9	SPECIAL DEPOSITS	2,015	2,015	2,015	2,015	2,015
10	TEMPORARY CASH INVESTMENTS	-	-	-	500,000	-
11	NOTES & ACCTS. RECEIVABLE LESS ACCUM PROV. FOR UNCOLLECTIBLE ACCOUNTS	3,604,430	3,255,583	2,857,531	2,993,620	3,095,910
12	RECEIVABLES - ASSOCIATED COMPANIES	451,956	177,490	119,556	158,945	254,158
13	MATERIALS AND SUPPLIES	720,705	739,006	1,309,903	814,969	1,024,303
14	PREPAYMENTS	2,033,984	2,154,966	2,074,273	1,936,026	1,837,975
15	OTHER CURRENT AND ACCRUED ASSETS	3,950	7,881	9,831	6,761	4,410
16	TOTAL CURRENT AND ACCRUED ASSETS	7,669,281	7,069,825	7,135,017	7,047,197	7,009,205
17	UNAMORTIZED DEBT EXPENSE	2,327,663	2,623,801	929,522	996,738	1,065,363
18	EXTRAORDINARY PROPERTY LOSSES	155,360	-	-	-	-
19	PREL. SURVEY & INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	30,148	7,099	1,319	4,558	40,667
21	ACCUM. DEFERRED INCOME TAXES	3,639,300	2,581,800	-	-	-
22	OTHER DEFERRED DEBITS	659,817	198,752	163,811	433,628	470,591
23	TOTAL DEFERRED DEBITS	6,812,288	5,411,452	1,094,652	1,434,924	1,576,621
24	TOTAL ASSETS AND OTHER DEBITS	$ 113,818,300	$ 105,713,576	$ 95,034,843	$ 90,910,636	$ 87,795,225
	WATER UTILITY PLANT					
25	PLANT IN SERVICE	$ 111,877,686	$ 105,248,551	$ 100,057,177	$ 94,103,231	$ 91,294,083
26	PLANT LEASED TO OTHERS	-	-	-	-	-
27	CONSTRUCTION WORK IN PROGRESS	9,351,619	8,425,692	5,876,504	6,164,829	4,544,689
28	PLANT HELD FOR FUTURE USE	78,587	78,587	78,587	104,951	104,951
29	PLANT ACQUISITION ADJUSTMENTS	550,214	550,214	550,214	550,214	550,214
30	OTHER PLANT ADJUSTMENTS	-	-	-	-	-
31	ACCUM. GAINS & LOSSES FROM DISP. OF UTILITY LAND & LAND RIGHTS	237,512-	237,512-	237,512-	237,512-	237,512-
32	TOTAL WATER UTILITY PLANT	121,620,594	114,065,532	106,324,970	100,685,713	96,256,425
33	ACCUM. PROV. FOR DEPR. & AMORT.	22,284,525	20,833,895	19,520,458	18,257,860	17,047,688
34	NET WATER UTILITY PLANT	$ 99,336,069	$ 93,231,637	$ 86,804,512	$ 82,427,853	$ 79,208,737
	PLANT IN SERVICE.					
35	BEGINNING OF YEAR	$ 105,248,551	$ 100,057,177	$ 94,103,231	$ 91,294,083	$ 87,326,466
36	ADDITIONS	7,395,534	5,558,419	6,343,673	3,267,652	4,150,476
37	RETIREMENTS	492,664	277,668	311,440	420,129	79,831
38	TRANSFERS AND ADJUSTMENTS	273,735-	89,377-	78,287-	38,375-	103,027-
39	END OF YEAR	$ 111,877,686	$ 105,248,551	$ 100,057,177	$ 94,103,231	$ 91,294,083

SPRING VALLEY WATER COMPANY, INCORPORATED
COMPARATIVE BALANCE SHEETS AND SELECTED BALANCE SHEET RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
LIABILITIES AND OTHER CREDITS						
COMMON CAPITAL STOCK	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 13,856,490	1
PREFERRED CAPITAL STOCK	9,000,000	9,200,000	4,618,400	5,256,000	5,893,600	2
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-	3
PREMIUM ON CAPITAL STOCK	286,958	286,958	286,958	286,958	286,958	4
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-	5
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-	6
OTHER PAID-IN CAPITAL	259,124	259,124	259,124	259,124	259,124	7
CAPITAL STOCK EXPENSE	-	-	-	-	-	8
RETAINED EARNINGS	20,796,800	20,023,625	19,111,435	17,448,526	15,545,947	9
REACQUIRED CAPITAL STOCK	-	-	-	-	-	10
TOTAL PROPRIETARY CAPITAL	44,199,372	43,626,197	38,132,407	37,107,098	35,842,119	11
BONDS (LESS BONDS REACQUIRED)	16,100,000	16,400,000	16,700,000	17,000,000	19,300,000	12
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-	13
OTHER LONG TERM DEBT	26,073,241	20,072,950	18,600,000	19,040,000	19,480,000	14
NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	-	-	-	-	-	15
TOTAL LONG TERM DEBT	42,173,241	36,472,950	35,300,000	36,040,000	38,780,000	16
NOTES AND ACCOUNTS PAYABLE	1,801,099	7,358,456	1,590,484	1,453,192	1,211,938	17
PAYABLES TO ASSOCIATED COMPANIES	4,809,136	550,351	7,202,475	5,309,573	90,469	18
CUSTOMERS' DEPOSITS	196,863	179,555	190,952	163,265	193,455	19
TAXES ACCRUED	944,593	1,410,131	1,082,299	360,692	3,104,641	20
OTHER CURRENT AND ACCRUED LIABILITIES	1,209,969	777,005	843,912	860,449	835,451	21
TOTAL CURRENT AND ACCRUED LIABILITIES	8,961,660	10,275,498	10,910,132	8,147,171	5,435,954	22
CUSTOMER ADVANCES FOR CONSTRUCTION	8,699,892	7,556,190	6,633,301	5,185,871	3,506,444	23
ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,262,600	1,286,600	1,310,600	1,337,600	1,364,600	24
OTHER DEFERRED CREDITS	3,300,685	2,113,791	1,073,024	489,516	684,528	25
ACCUMULATED DEFERRED INCOME TAXES:						
ACCELERATED AMORIZATION	211,914	220,914	229,914	238,914	247,914	26
LIBERALIZED DEPRECIATION	4,570,336	3,840,336	3,114,165	2,554,966	2,059,966	27
OTHER	438,600	321,100	1,668,700-	190,500-	126,300-	28
TOTAL DEFERRED CREDITS	18,484,027	15,338,931	10,692,304	9,616,367	7,737,152	29
OPERATING RESERVES	-	-	-	-	-	30
TOTAL LIABILITIES AND OTHER CREDITS	$ 113,818,300	$ 105,713,576	$ 95,034,843	$ 90,910,636	$ 87,795,225	31
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / CURRENT LIABILITIES	0.86	0.69	0.65	0.86	1.29	32
PERCENT OF CAPITALIZATION:						
LONG TERM DEBT	48.8	45.5	48.0	49.2	51.9	33
PREFERRED STOCK	10.4	11.4	6.2	7.1	7.8	34
COMMON STOCK & OTHER PAID-IN CAPITAL	16.6	17.9	19.6	19.6	19.3	35
RETAINED EARNINGS	24.0	24.9	26.0	23.8	20.8	36
LONG-TERM DEBT:% OF GROSS WATER PLANT	34.6	31.9	33.2	35.7	40.2	37
ACCUM. PROV. FOR DEPR. & AMORT.: % OF WATER PLANT	18.3	18.2	18.3	18.1	17.7	38

Statement of Cash Flows
Spring Valley Water Company, Inc.
For The Year Ended December 31

		1989	1988
	CASH FLOWS FROM OPERATING ACTIVITIES		
1	Net Income	$4,912,164	$4,868,135
	Adjustments To Reconcile Net Income To Net Cash From Operating Activities:		
2	Depreciation, Depletion & Amortization	1,921,440	1,739,789
	Increase/(Decrease):		
3	Payables, Rec., Accrued Exp. & Inv. - Net	3,366,449	1,054,492
4	Deferred Taxes & ITCs	(243,000)	101,171
5	Current Income Taxes & Other Taxes Payable	(465,538)	327,832
6	Interest Payable	444,828	(150,087)
7	Equity In Loss (Earnings) Of Affiliates		
8	Capitalized AFDUC - Equity Funds	(432,469)	(312,763)
9	Other Adjustments	566,087	770,659
10	Total Adjustments	5,157,797	3,531,093
11	Net Cash From Operating Activities	10,069,961	8,399,228
	CASH FLOWS FROM INVESTING ACTIVITIES		
12	Total Cash Outflows For Construction	(7,501,746)	(7,705,467)
13	Acquisition Of Other Non-current Assets		
14	Payments - Acq. Of Other Debt & Equity Securities		
15	Investments In & Advances To Subsidiary & Assoc. Co's.		
16	Repayments Of Advances By Subsidiary & Assoc. Co's.		
	Net Proceeds - Sale Or Disposition Of:		
17	Property, Plant & Equipment		
18	Investments In Subsidiary & Assoc. Co's.		
19	Other Debt & Equity Investments		
20	Other Non-current Assets		
21	Other Cash Flows - Investing Activities		
22	Net Cash From Investing Activities	(7,501,746)	(7,705,467)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net Proceeds (Payments) - Issuing & Retiring:		
23	Long-term Debt	5,700,291	1,172,950
24	Common Stock		
25	Preferred Stock	(200,000)	4,581,600
26	Short-term Debt	(5,250,000)	(1,750,000)
27	Dividends Paid	(4,138,989)	(3,728,145)
28	Contributions & Advances - Subsidiary & Assoc. Co's.		
29	Other Cash Flows - Financing Activities	1,439,840	(999,190)
30	Net Cash From Financing Activities	(2,448,858)	(722,785)
31	Net Incr./(Decr.) In Cash & Cash Equivalents	119,357	(29,024)
32	Cash & Cash Equivalents At Beginning Of Year	734,899	763,923
33	Cash & Cash Equivalents At End Of Year	$854,256	$734,899

SPRING VALLEY WATER COMPANY, INCORPORATED
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS AND SELECTED INCOME ACCOUNT RELATIONSHIPS
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 32,328,171	$ 32,056,265	$ 31,283,797	$ 30,244,321	$ 29,094,904	1
OPERATION AND MAINTENANCE EXPENSE	12,012,541	12,397,991	10,518,097	9,875,021	9,202,727	2
DEPRECIATION	1,829,783	1,672,359	1,610,156	1,544,091	1,453,862	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	7,852,665	6,885,444	7,384,322	6,804,329	6,913,069	5
INCOME TAXES	3,342,900	3,450,000	3,713,000	3,872,800	3,450,000	6
TOTAL OPERATING EXPENSES	25,037,889	24,405,794	23,225,575	22,096,241	21,019,658	7
NET OPERATING REVENUES	7,290,282	7,650,471	8,058,222	8,148,080	8,075,246	8
INC. - LEASED PLANT	-	-	-	-	-	9
TOTAL WATER OPERATING INCOME	7,290,282	7,650,471	8,058,222	8,148,080	8,075,246	10
OTHER INCOME:						
MERCH., JOBBING, & CONTRACT WORK	-	-	-	-	-	11
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	12
NONOPERATING RENTAL INCOME	-	-	-	-	-	13
INTEREST AND DIVIDEND INCOME	96,385	9,782	5,746	41,718	85,632	14
ALLOWANCE FOR CONSTRUCTION FUNDS	882,590	629,955	582,428	472,200	430,340	15
MISCELLANEOUS NONOPERATING INCOME	4,906	16,744	19,501	19,501	19,501	16
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	17
TOTAL OTHER INCOME	983,881	656,481	607,675	533,419	535,473	18
TOTAL INCOME	8,274,163	8,306,952	8,665,897	8,681,499	8,610,719	19
OTHER INCOME DEDUCTIONS:						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	20
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	21
MISCELLANEOUS DEDUCTIONS	25,645	31,188	21,500	28,029	12,623	22
TAXES OTHER THAN INC. TAXES-NONOPERATING	4,463	3,835	-	8,393	8,982	23
INCOME TAXES-NONOPERATING	-	-	-	-	-	24
TOTAL INCOME DEDUCTIONS	30,108	35,023	21,500	36,422	21,605	25
INCOME BEFORE INTEREST CHARGES	8,244,055	8,271,929	8,644,397	8,645,077	8,589,114	26
INTEREST CHARGES:						
INTEREST ON LONG-TERM DEBT	2,772,340	2,744,148	2,810,394	2,935,107	2,921,463	27
AMORT. OF DEBT DISCOUNT EXPENSE	91,657	67,430	67,216	68,625	69,122	28
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	29
INTEREST ON DEBT TO ASSOCIATED COMPANIES	525	274,801	366,358	95,294	224,017	30
OTHER INTEREST CHARGES	467,369	317,415	13,772	17,660	22,260	31
TOTAL INTEREST CHARGES	3,331,891	3,403,794	3,257,740	3,116,686	3,236,862	32
EXTRAORDINARY ITEMS - NET	-	-	-	-	-	33
NET INCOME	$ 4,912,164	$ 4,868,135	$ 5,386,657	$ 5,528,391	$ 5,352,252	34
RETAINED EARNINGS:						
BEGINNING OF YEAR	$ 20,023,625	$ 19,111,435	$ 17,448,526	$ 15,545,947	$ 13,878,808	35
TRANSFERRED FROM INCOME	4,912,164	4,868,135	5,386,657	5,528,391	5,352,252	36
APPROPRIATIONS	-	-	-	-	-	37
DIVIDENDS DECLARED-PREFERRED STOCK	847,833	526,818	488,496	579,295	639,552	38
-COMMON STOCK	3,291,156	3,201,327	3,235,252	3,045,517	3,045,561	39
ADJUSTMENTS	-	227,800-	-	-	-	40
BALANCE END OF YEAR	20,796,800	20,023,625	19,111,435	17,448,526	15,545,947	41
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	42
TOTAL END OF YEAR	$ 20,796,800	$ 20,023,625	$ 19,111,435	$ 17,448,526	$ 15,545,947	43
SELECTED INCOME ACCOUNT RELATIONSHIPS						
NET INCOME - % OF OPERATING REVENUES	15.1	15.1	17.2	18.2	18.3	44
PRETAX COVERAGE OF INTEREST EXPENSE	3.5	3.4	3.8	4.0	3.7	45
COMMON STOCK DIVIDENDS AS A % OF EARNINGS	80.9	73.7	66.0	61.5	64.6	46
RETURN ON COMMON EQUITY	11.6	12.7	14.9	16.0	16.1	47

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SPRING VALLEY WATER COMPANY, INCORPORATED
COMPARATIVE STATEMENTS OF REVENUE AND OPERATION AND MAINTENANCE
FOR THE YEARS ENDED DECEMBER 31

WATER OPERATING REVENUES

LINE NO	ITEM	1989	1988	1987	1986	1985
	REVENUES					
1	METERED SALES TO GENERAL CUSTOMERS	$ 27,798,836	$ 27,982,865	$ 27,025,777	$ 25,955,633	$ 24,609,170
2	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
3	SALES TO OTHER WATER COMPANIES	29,472	34,961	30,657	30,625	23,053
4	OTHER SALES OF WATER	4,453,534	4,006,831	4,164,602	4,130,927	4,334,868
5	TOTAL REVENUES FROM SALES OF WATER	32,281,842	32,024,657	31,221,036	30,117,185	28,967,091
6	OTHER WATER OPERATING REVENUES	46,329	31,608	62,761	127,136	127,813
7	TOTAL WATER OPERATING REVENUES	$ 32,328,171	$ 32,056,265	$ 31,283,797	$ 30,244,321	$ 29,094,904
	WATER SALES (T GALLONS)					
8	METERED SALES TO GENERAL CUSTOMERS	8,110,462	8,308,880	7,648,220	7,571,262	7,103,901
9	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
10	SALES TO OTHER WATER COMPANIES	16,873	20,114	17,238	17,300	12,520
11	OTHER SALES OF WATER	35,996	36,103	41,523	44,555	28,352
12	TOTAL SALES OF WATER	8,163,331	8,365,097	7,706,981	7,633,117	7,144,773
	AVERAGE CUSTOMERS PER MONTH					
13	METERED SALES TO GENERAL CUSTOMERS	55,619	54,991	54,038	53,237	52,448
14	UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-
15	SALES TO OTHER WATER COMPANIES	1	1	1	1	1
16	OTHER SALES OF WATER	599	542	555	523	492
17	TOTAL CUSTOMERS	56,219	55,534	54,594	53,761	52,941

WATER OPERATING REVENUE RELATIONSHIPS

LINE NO	ITEM	1989	1988	1987	1986	1985
	METERED GENERAL CUSTOMERS					
18	AVG. ANNUAL BILL PER CUSTOMER	$ 499.80	$ 508.86	$ 500.12	$ 487.54	$ 469.21
19	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	145.82	151.09	141.53	142.21	135.44
20	AVG. REVENUE PER T. GALLONS SOLD (CENTS)	342.75	336.78	353.36	342.82	346.42
	UNMETERED GENERAL CUSTOMERS					
21	AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-
22	AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-
23	AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-

WATER OPERATION AND MAINTENANCE EXPENSES

LINE NO	ITEM	1989	1988	1987	1986	1985
24	SOURCE OF SUPPLY	$ 289,130	$ 449,481	$ 306,527	$ 260,828	$ 247,642
25	POWER AND PUMPING	2,727,970	2,628,472	2,465,823	2,435,398	2,722,049
26	PURIFICATION	646,085	614,201	549,096	662,120	497,350
27	TRANSMISSION AND DISTRIBUTION	2,318,682	2,797,993	2,116,269	1,982,317	1,683,320
28	CUSTOMERS ACCT'G & COLLECTING	1,564,068	1,570,749	1,445,220	1,347,489	1,306,914
29	ADMINISTRATIVE & GENERAL	4,466,606	4,337,095	3,635,162	3,186,869	2,745,452
30	TOTAL WATER O & M EXPENSES	$ 12,012,541	$ 12,397,991	$ 10,518,097	$ 9,875,021	$ 9,202,727

SPRING VALLEY WATER COMPANY, INCORPORATED
DISTRIBUTION OF WATER REVENUES
FOR THE YEARS ENDED DECEMBER 31

ITEM	1989	1988	1987	1986	1985	LINE NO.
REVENUES	$ 32,328,171	$ 32,056,265	$ 31,283,797	$ 30,244,321	$ 29,094,904	1
SALES (THOUSAND GALLONS)	8,163,331	8,365,097	7,706,981	7,633,117	7,144,773	2
DOLLAR AMOUNTS						
PURCHASED WATER, FUEL, OR POWER FOR PUMPING & CHEMICALS	$ 1,988,346	$ 2,041,289	$ 1,824,561	$ 1,832,625	$ 2,158,526	3
WAGES AND BENEFITS	3,516,319	3,834,547	3,796,491	3,110,587	2,986,564	4
OTHER OPERATION AND MAINTENANCE EXPENSES	6,507,876	6,462,155	4,897,045	4,931,809	4,057,637	5
DEPRECIATION AND MAINTENANCE EXPENSES	1,829,783	1,672,359	1,610,156	1,544,091	1,453,862	6
INCOME TAXES - OPERATING	3,342,900	3,450,000	3,713,000	3,872,800	3,450,000	7
OTHER TAXES - OPERATING	7,852,665	6,885,444	7,384,322	6,804,329	6,913,069	8
INTEREST CHARGES*	2,882,100	3,086,313	2,960,522	2,871,614	3,017,689	9
PREFERRED DIVIDENDS*	773,132	493,003	462,631	555,495	614,423	10
EARNINGS AVAILABLE FOR COMMON EQUITY	3,635,050	4,071,155	4,635,069	4,720,971	4,443,134	11
TOTAL	$ 32,328,171	$ 32,056,265	$ 31,283,797	$ 30,244,321	$ 29,094,904	12
PERCENT OF REVENUES						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	6.2	6.4	5.8	6.1	7.4	13
WAGES AND BENEFITS	10.9	12.1	12.1	10.3	10.3	14
OTHER OPERATION AND MAINTENANCE EXPENSES	20.1	20.2	15.7	16.3	13.9	15
DEPRECIATION AND AMORTIZATION EXPENSES	5.7	5.2	5.1	5.1	5.0	16
INCOME TAXES - OPERATING	10.3	10.8	11.9	12.8	11.9	17
OTHER TAXES - OPERATING	24.3	21.5	23.6	22.5	23.8	18
INTEREST CHARGES*	8.9	9.6	9.5	9.5	10.4	19
PREFERRED DIVIDENDS*	2.4	1.5	1.5	1.8	2.1	20
EARNINGS AVAILABLE FOR COMMON EQUITY	11.2	12.7	14.8	15.6	15.3	21
TOTAL	100.0	100.0	100.0	100.0	100.0	22
CENTS PER THOUSAND GALLONS SOLD						
PURCHASED WATER, FUEL OR POWER FOR PUMPING & CHEMICALS	24.36	24.40	23.67	24.01	30.21	23
WAGES AND BENEFITS	43.07	46.56	49.26	40.75	41.80	24
OTHER OPERATION AND MAINTENANCE EXPENSES	79.72	77.25	63.54	64.61	56.79	25
DEPRECIATION AND AMORTIZATION EXPENSES	22.41	19.99	20.89	20.23	20.35	26
INCOME TAXES - OPERATING	40.95	41.24	48.18	50.74	48.29	27
OTHER TAXES - OPERATING	96.19	82.31	95.81	89.14	96.76	28
INTEREST CHARGES*	35.31	36.90	38.41	37.62	42.24	29
PREFERRED DIVIDENDS*	9.47	5.89	6.00	7.28	8.60	30
EARNINGS AVAILABLE FOR COMMON EQUITY	44.53	48.67	60.14	61.85	62.19	31
TOTAL	396.02	383.21	405.92	396.23	407.22	32

*NET OF AFC

WATER

INDEX TO COMPANIES

INDEX TO COMPANIES
Electric, Gas and Water

	Balance Sheet Assets	Balance Sheet Liabilities	Statement of Cash Flows	Income Statement	Statement of Revenue, Plant, Operation and Maintenance	Distribution of Utility Revenue
Brooklyn Union Gas Company, The	101A	101B	101C	101D	101E	101F
Central Hudson Gas & Electric Corp. Electric Service	1A	1B	1C	1D	1E	1F
Central Hudson Gas & Electric Corp. Gas Service	102A	102B	102C	102D	102E	102F
Columbia Gas of New York, Inc.	103A	103B	103C	103D	103E	103F
Consolidated Edison Company of New York, Inc. – Electric Service	2A	2B	2C	2D	2E	2F
Consolidated Edison Company of New York, Inc. – Gas Service	104A	104B	104C	104D	104E	104F
Corning Natural Gas Corp.	105A	105B	105C	105D	105E	105F
Country Knolls Water Works, Inc.	301A	301B	301C	301D	301E	301F
Jamaica Water Supply Company	302A	302B	302C	302D	302E	302F
Long Island Lighting Company Electric Service	3A	3B	3C	3D	3E	3F
Long Island Lighting Company Gas Service	106A	106B	106C	106D	106E	106F
Long Island Water Corp.	303A	303B	303C	303D	303E	303F
National Fuel Gas Distribution Corp.	107A	107B	107C	107D	107E	107F
New Rochelle Water Company, Inc.	304A	304B	304C	304D	304E	304F
New York-American Water Company, Inc.	305A	305B	305C	305D	305E	305F
New York State Electric & Gas Corp. Electric Service	4A	4B	4C	4D	4E	4F
New York State Electric & Gas Corp. Gas Service	108A	108B	108C	108D	108E	108F
New York Water Service Corp.	306A	306B	306C	306D	306E	306F
Niagara Mohawk Power Corp. Electric Service	5A	5B	5C	5D	5E	5F
Niagara Mohawk Power Corp. Gas Service	109A	109B	109C	109D	109E	109F
Orange and Rockland Utilities, Inc. Electric Service	6A	6B	6C	6D	6E	6F

INDEX TO COMPANIES
Electric, Gas and Water

	Balance Sheet Assets	Balance Sheet Liabilities	Statement of Cash Flows	Income Statement	Statement of Revenue, Plant, Operation and Maintenance	Distribution of Utility Revenue
Orange and Rockland Utilities, Inc. Gas Service	110A	110B	110C	110D	110E	110F
Owego Water Works	307A	307B	307C	307D	307E	307F
Rochester Gas & Electric Corp. Electric Service	7A	7B	7C	7D	7E	7F
Rochester Gas & Electric Corp. Gas Service	111A	111B	111C	111D	111E	111F
St. Lawrence Gas Company, Inc.	112A	112B	112C	112D	112E	112F
Sea Cliff Water Company	308A	308B	308C	308D	308E	308F
Shorewood Water Corp.	309A	309B	309C	309D	309E	309F
Spring Valley Water Company, Inc.	310A	310B	310C	310D	310E	310F
Syracuse Suburban Gas Company, Inc.	113A	113B	113C	113D	113E	113F

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Telephone

	Balance Sheet Assets	Balance Sheet Liabilities	Income Statement	Statement of Cash Flows	Statement of Revenue, Operation and Maintenance	Statement of Utility Plant
ALLTELL New York, Inc.	201A	201B	201C,D	201E	201F	201G
Armstrong Telephone Company	202A	202B	202C,D	202E	202F	202G
AT&T Communications of New York, Inc.	203A	203B	203C,D	203E	203F	203G
Ausable Valley Telephone Company, Inc.	204A	204B	204C,D	204E	204F	204G
Berkshire Telephone Corp.	205A	205B	205C,D	205E	205F	205G
Cassadaga Telephone Corp.	206A	206B	206C,D	206E	206F	206G
Champlain Telephone Company, The	207A	207B	207C,D	207E	207F	207G
Chautauqua & Erie Telephone Corp.	208A	208B	208C,D	208E	208F	208G
Chazy & Westport Telephone Corp.	209A	209B	209C,D	209E	209F	209G
Citizens Telephone Company of Hammond, N.Y., Inc.	210A	210B	210C,D	210E	210F	210G
Clymer Telephone Co., Inc.	211A	211B	211C,D	211E	211F	211G
Continental Telephone Company of New York, Inc.	212A	212B	212C,D	212E	212F	212G
Crown Point Telephone Corporation	213A	213B	213C,D	213E	213F	213G
Delhi Telephone Company	214A	214B	214C,D	214E	214F	214G
Deposit Telephone Company, Inc.	215A	215B	215C,D	215E	215F	215G
Dunkirk & Fredonia Telephone Company	216A	216B	216C,D	216E	216F	216G
Edwards Telephone Company	217A	217B	217C,D	217E	217F	217G
Empire Telephone Corporation	218A	218B	218C,D	218E	218F	218G
Fishers Island Telephone Corporation, The	219A	219B	219C,D	219E	219F	219G
Germantown Telephone Company, Inc.	220A	220B	220C,D	220E	220F	220G
Hancock Telephone Company, The	221A	221B	221C,D	221E	221F	221G
Highland Telephone Company	222A	222B	222C,D	222E	222F	222G
Margaretville Telephone Co., Inc.	223A	223B	223C,D	223E	223F	223G
Middleburgh Telephone Company, The	224A	224B	224C,D	224E	224F	224G
New York Telephone Company	225A	225B	225C,D	225E	225F	225G
Newport Telephone Company, Inc.	226A	226B	226C,D	226E	226F	226G
Nicholville Telephone Company, Inc.	227A	227B	227C,D	227E	227F	227G

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Telephone

	Balance Sheet Assets	Balance Sheet Liabilities	Income Statement	Statement of Cash Flows	Statement of Revenue, Operation and Maintenance	Statement of Utility Plant
Ogden Telephone Company	228A	228B	228C,D	228E	228F	228G
Oneida County Rural Telephone Company	229A	229B	229C,D	229E	229F	229G
Ontario Telephone Company, Inc.	230A	230B	230C,D	230E	230F	230G
Oriskany Falls Telephone Co.	231A	231B	231C,D	231E	231F	231G
Pattersonville Telephone Company	232A	232B	232C,D	232E	232F	232G
Port Byron Telephone Company	233A	233B	233C,D	233E	233F	233G
Rochester Telephone Corp.	234A	234B	234C,D	234E	234F	234G
Seneca-Gorham Telephone Corp.	235A	235B	235C,D	235E	235F	235G
State Telephone Company	236A	236B	236C,D	236E	236F	236G
Sylvan Lake Telephone Company, Inc.	237A	237B	237C,D	237E	237F	237G
Taconic Telephone Corp.	238A	238B	238C,D	238E	238F	238G
Township Telephone Company, Inc.	239A	239B	239C,D	239E	239F	239G
Trumansburg Home Telephone Company	240A	240B	240C,D	240E	240F	240G
Vernon Telephone Company, Inc.	241A	241B	241C,D	241E	241F	241G
Warwick Valley Telephone Company	242A	242B	242C,D	242E	242F	242G